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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed as a separate compilation.

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

NOTIFICATION

CHARTERED ACCOUNTANTS

New Delhi, the 1st October 1971

No. 48-CA(1)/71.—In pursuance of sub-section (5) of section 18 of the Chartered Accountants Act, 1949, a copy of the Report and the audited accounts of the Council for the year ended 31st March, 1971 is hereby published for general information.

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

Twenty Second Annual report of the Council for the year ended 31st March 1971.

The Council has pleasure in presenting its 22nd Annual Report for the year ended 31st March 1971, in accordance with the provisions of Section 18(5) of the Chartered Accountants Act, 1949.

I. THE COUNCIL

1. **Members of the Council and its various Committees.**—As provided in Section 9 of the Chartered Accountants Act, the Eighth Council was constituted on 17th September 1970, partly by election and partly by nomination by the Central Government. The names of the members of the Council and its various Standing and other Committees, constituted under Section 17 of the Chartered Accountants Act, are given in Appendix IA and IB respectively.

2. **President and Vice-President.**—Shri M. C. Bhandari (Calcutta), who was the Vice-President in the preceding year, was elected President by the Council at its

meeting held on 17th September 1970. At the same meeting, Shri A. B. Tandan (Kanpur) was elected as the Vice-President.

3. **Council and Committee meetings.**—During the year, the Council held four meetings the first on 15th and 16th September, 1970, the second on 17th September 1970, the third on 30th and 31st December 1970 and the fourth on 26th and 27th March 1971. Details of the meetings held by the various Committees are given in Appendix IC.

II. FINANCES

1. **Accounts.**—The Balance Sheet as at 31st March, 1971 and the Income & Expenditure Account for the year ended on that day, duly audited, are appended at the end of this Report. The Income & Expenditure Account for the year shows an excess of expenditure over income amounting to Rs. 62,104 as against excess of expenditure over income of Rs. 78,357 in the previous year. These accounts include the accounts of the Regional Councils, Students' Associations and their branches.

2. **Auditors.**—Sarvashri P. R. Mehra and M. R. Venkataraman continued to be the Auditors of Institute's accounts for the year ended 31st March, 1971.

III. PROFESSIONAL MATTERS

1. Professional Development

(a) **Self-regulatory measures.**—For some time past, an element of dissatisfaction has been noticed amongst the junior members of the profession about lack of sufficient opportunities in the field of audit work. Some concern on the matter has been voiced even in the public. The Council has been of the view that these are domestic problems which should be settled to the satisfaction of all by the voluntary efforts on the part of members of the profession. Accordingly, the Council at its special meeting held in December 1970 decided upon certain self regulatory measures to provide for an equitable flow of audit works. Although these measures are only morally binding, the Council expects that each and every member of the profession will effectively implement the same, so that any interference from outside could be avoided. The Council fervently hopes that the measures when implemented would go a long way in removing the feeling of dissatisfaction amongst the members and will enhance the prestige of the profession in public.

The measures recommended by the Council for adoption by members are as follows:—

1. **Non-acceptance of audit below a certain fee.** A practising firm consisting of 7 or more but less than 15 members should not accept any audit work below a fee of Rs. 750 and a practising firm consisting of 15 or more members should not accept any audit work below a fee of Rs. 1,500. However, this restriction would not apply in respect of the following:—

- (a) audit of accounts of charitable institutions, clubs, provident funds, etc., where the appointment is honorary;
- (b) internal audit work; and
- (c) newly formed companies before the expiry of one accounting year from the date of commencement of their operations.

2. **Branch Audits.**—The branch audits of a Company should not be conducted by its statutory auditor/s consisting of 10 or more members, but should be conducted by the local firms of auditors consisting of less than 10 members. This should not be understood to mean any restriction on the right of the statutory auditor to have access over branch accounts conferred under the Companies Act, 1956.

This restriction will not apply in the following cases:—

- (a) where the accounting records of the branches are maintained at the Head Office of the company; and
 - (b) where significant operations of an undertaking of a company are carried out at its branch office.
3. **Joint Audit.**—In the case of large companies, the practice of associating a practising firm with less than 5 members as joint auditors should

be encouraged. Where a client desires to appoint such a firm as joint auditor, the senior firms should not object to the same.

4. *Number of members vis-a-vis. audit of public limited companies.*—Any firm of Chartered Accountants engaged in audit work should have at least one member for every 5 audits of public limited companies and statutory corporations, whose paid up share capital is at least Rs. 1 lakh each. For such purpose, the excess above the multiple of 5 should be treated as 5.
5. *Ratio between qualified and unqualified staff.*—A practising firm of Chartered Accountants engaged in audit work should have at least one member for every 5 non-qualified members of the staff, excluding articled and audit clerks, typists, peons and other persons not engaged directly in such professional work.

NOTE.—For purposes of the above measures, the term 'member' would include the proprietor of the firm or its partners and its qualified assistants, where they are employed by the firm on a full-time basis.

A note on these self-regulatory measures was published in the February 1971 issue of "The Chartered Accountant." The recommendations were brought individually to the notice of all concerned practising firms. Copies were sent to various Chambers of Commerce for circulation among their constituents and to the C. & A.G. and concerned Government Ministers and officers for their information. A statement on the subject was also released to the Press at a Press Conference specially held at New Delhi for this purpose on 16th January, 1971.

(b) *Wider Dispersal of the work of Public Sector Companies and Statutory Corporations.*—The Council has been making continuous efforts in the past to secure a wider dispersal of audits of public sector companies, statutory corporations etc. Concerted efforts in this direction were made during the year and appropriate representations were sent to the relevant authorities such as C. & A. G. Reserve Bank, Life Insurance Corporation and so on with this end in view. The Council is gratified to note that there has been a positive response to the Council's efforts in this direction and there has been a progressively wider dispersal of the audits in this category.

(c) *Usefulness of internal auditing.*—The Council, in its efforts to further increase the professional opportunities and to open new avenues of employment for the members, has undertaken to prepare a Note to propagate the usefulness of internal auditing and to impress upon the industrial houses to utilise the specialised services of Chartered Accountants to act as internal auditors. The Note is expected to be ready very soon.

(d) *Representation for making Audits of Partnership Firms Compulsory.*—The Council has made representation to the Department of Company Affairs and the Ministry of Law suggesting the amendment of the Partnership Act with a view to making compulsory the audit of partnership firms of a requisite size. This matter is receiving attention of the Union Government.

(e) *Seminars.*—A Seminar on "Professional Development—Problems and Prospects" was held at Calcutta on the 26th December 1970. The following topics were discussed:—

- Problems of Young members in practice.
- Problems of Young members in industry.
- Special problems of members in mofussil areas.
- New Horizons for the profession.

(f) *Rule of Chartered Accountants.*—The need for educating the public about the true role of the profession in the development of the country's economy has been engaging the attention of the Council. Considerable efforts have been made in this direction and booklets containing information about the variety of services which a Chartered Accountant can render have been issued.

The Professional Development Committee has recently brought out a pamphlet entitled "Do you know that a chartered accountant can render multiple services to your organisation?". The booklet is being circulated widely amongst small business units as also among various Public Sector Undertakings, State Government Undertakings, Industrial Finance Bodies, Chambers of Commerce & Industry,

Trade Associations, Industrial Associations, Educational and other institutions, partnership firms etc.

(g) *Industrywise technical guides.*—As has already been reported, for strengthening the knowledge of members in the field of auditing, and for bringing their knowledge up-to-date on the latest developments in auditing techniques, the Council has initiated action for the preparation of industrywise technical guides to audit for some of the major industries. The first draft of the guide for audit of cement industry has been prepared and will soon be finalised. Efforts are being made to prepare similar guides for other industries as well.

(h) *Associating with members of other disciplines.*—The Council is actively considering ways and means of providing guideliness to the members and the question of permitting them to associate with members of other disciplines for rendering the entire range of Management Consultancy Services. The legal, ethical and other related issues involved in our members seeking to associate with members of other disciplines for rendering Management Consultancy Services as well as the form of organisation through which such arrangements could be permitted are being examined.

(j) *Publicity by members.*—The Council has recently decided to relax the existing restrictions relating to publicity by members of the Institute with a view to projecting a better and a proper image of the profession before the public. It was felt that the restrictions hitherto imposed upon our members in the matter of publicity have been responsible to an extent in the public not being fully aware of the various facets of the functions of our members.

The following is a text of the note on this subject which appeared in 'The Chartered Accountant' for May 1971:—

- "(1) Members should be encouraged to appear on radio, television and films and may give their names and describe themselves as chartered accountants. Special qualifications or specialised knowledge directly relevant to the subject-matter of the programme may also be given. But no reference should be made, in the case of practising member, to the name and address of his firm.
- (2) Publicity may be encouraged for appointments to positions of local or national importance or for the views of members on matters of similar importance and mention of membership of the Institute is desirable in such cases. Here, what should be aimed at is to achieve suitable publicity for the Institute and its members generally.
- (3) Members giving talks or lectures or attending a conference may describe themselves as chartered accountants only when they are acting in their capacity as a chartered accountant. Here again reference to the professional firm of the members should be avoided. But the member may disclose the name and address of the professional firm if the audience is composed of members of the accountancy profession.
- (4) Members writing articles or letters to the Press on subjects connected with the profession may give their names and use the description "Chartered Accountant."

[The Council here sounds a note of warning that too frequent contributions to the Press which could be deemed as attempting to attract professional work should be regarded as undesirable and may be deemed to be professional misconduct.]

(j) *Organisation offices of Chartered Accountants.*—A study of the organisation of the offices of Chartered Accountants is being conducted with the object of making recommendations in respect of maintenance of office records, adoption of office manuals, equipment etc. There has not been any appreciable progress on this project during the year but it is expected that the work will get completed very soon.

(k) *Forms of audit reports.*—As reported earlier, the various forms of audit reports and certificates which chartered accountants are required to sign and certify during the course of their professional work are being scrutinised and the concerned authorities will in course of time be approached for such revision or modification of the forms of reports and certificates, as may be necessary to remove the attendant difficulties.

2. **Company Law Committee.**—During the year a new Committee known as Company Law Committee has been formed by the Council. The Committee has formulated its programme of work which would include attending to queries received in respect of corporate legislations and to process and prepare memoranda etc. to be submitted to the Government in the matter of Corporate Legislations.

References have been received from the Government about treatment of dividend income in the company accounts and about the permissibility of off-setting revenue losses against certain capital gains. The replies to these have been issued during the year.

A Seminar on Company Law and Monopolies and Restrictive Trade Practice Act was held under the joint auspices of this Institute and of the Indian Law Institute on 26th, 27th and 28th February, 1971 at New Delhi.

3. **Research.**—(a) During the year, the Research Committee brought out the following Statements for the guidance of the members:

(i) The Statement on Qualifications in Auditors' Reports.

(ii) Treatment in Accounts of Expenditure During Construction.

(b) The views and suggestions of the Council of the Institute were submitted on the following subjects:—

(i) Additional Statements in the auditor's report under Section 227(4A) of the Companies Act in respect of:

Jute Textile Industry.

Rubber Industry.

Tea & Coffee Industries.

(ii) Vertical Form of Balance Sheet.

(iii) Questionnaire Parts (1—4) issued by the Study Group set up by the Banking Commission to review the Legislation Affecting Banking.

(iv) Cost Accounting Records (Agricultural Tractors) Rules, 1970.

(v) Onus of full disclosure.

(c) The following Research Studies/Notes for guidance of members are under preparation/revision/review:—

(i) Payment of Bonus Act—An Accountant's Study (in the press).

(ii) Investment Decision—Capital Budgeting with the aid of Discounted Cash Flow Technique (in the press).

(iii) Compendium of notes issued by the Institute.

(iv) Revised edition of "A guide to Company Audit".

(v) Auditor's enquiries into internal control, including the use of internal control questionnaire.

(vi) Updating of the Study "Statement on the Treatment of Retirement Gratuity in Accounts".

(vii) Integrated System of Cost and Financial Accounts.

(viii) Cost Accounting Record Rules under the Companies Act, 1956 and the Companies in the Electric Motor Industries.

(ix) Hybrid System of Accounting.

(d) During the year the Research Committee had undertaken the task of initiating and guiding research projects on Fundamental Accounting Principles and projects in the nature of Studies on Accounting and Management Accounting System, Costing System and audit techniques of various industries. The topics announced in the Journal under these categories are as under:—

Fundamental Projects:

1. Better presentation of accounts—suitable disclosures;
2. Valuation of Stock;
3. Depreciation;
4. Impact of Company Law on accounts;
5. Impact of Taxation Laws on accounts;

6. Impact of Labour Laws on accounts;
7. Accounting Ratios;
8. Basic postulates of accounting;
9. Technical Audit guides on—
public sector undertakings;
construction concerns;
social, cultural, educational and charitable organisations;
partnership firms; and industry-wise guides (industries to be specified by
researchers).
10. General techniques of audit;
11. Mechanised Accounting;
12. Accounting for exports;
13. Accounting for medium and small-scale industries;
14. Accounting for agriculture;
15. Accounting for a Government Department.

Industry Panel

1. Hospitals.
2. Hotels and Restaurants.
3. Insurance.
4. Banking.
5. Educational Institutions.
6. Garages and Automobile repairers.
7. Printing and publications.
8. Food processing, vanaspati and oil.
9. Plantation.
10. Electrical goods.
11. Contractors.
12. Chemicals.
13. Drugs and Pharmaceuticals.
14. Fertilisers.
15. Social institutions.
16. Trade Unions.
17. Political Parties.
18. Theatres and cinemas.
19. Tractors and agricultural implements
20. Road Transport.
21. Tourism.
22. Farm Accounting.
23. Toilets.
24. Gramodyog and village industries.
25. Man-made fibre.
26. Foundries.
27. Iron and steel.
28. Ceramics.
29. Jute textile.
30. Cotton textile
31. Cement.
32. Small engineering.

4. Post-graduate Courses.

(a) *Seminars etc.*—The Post-Graduate Course Committee carried out several activities for popularising Management Accounting, both among members and in Government, Business and Industry. Several programmes aimed at imparting

training and education to the members in this field were organised during this period.

A Workshop on "Management Information Systems" was successfully held under the Continuous Education Programme at Bombay from 3rd to 5th July 1970 and proved to be popular. The workshop was attended by 26 participants at a fee of Rs. 100.

A course on "Electronic Data Processing" was held at the Indian Institute of Technology, Kanpur Computer Centre. The objective of the course was to impart knowledge of—

- (i) the principles of FORTRAN Programming.
- (ii) numerical techniques which are necessary for an intelligent use of computers,
- (iii) the elements of computer logic to appreciate the working of the computer and its limitations,
- (iv) data processing techniques for Chartered Accountants interested in commercial accounting and business applications of such techniques.

The Course was held from 2nd to 12th November, 1970, and attended by 23 participants at a fee of Rs. 250. This course was very much liked and appreciated by the participants.

The authorities of IBM World Trade Corporation, New Delhi, offered to conduct a series of courses to orient the practising chartered accountants to Electronic Data Processing concepts and approaches. The IBM authorities agreed to provide the faculty and other facilities for conducting these courses and therefore the participants were not required to pay any fees. The number of participants was restricted to 25 for each course. The details of the courses conducted at different centres are given:—

- (1) New Delhi from 19th to 22nd December, 1970.
- (2) Calcutta from 6th to 9th February, 1971.
- (3) Madras from 13th to 16th March, 1971. and
- (4) Bombay from 31st March to 3rd April, 1971.

A six day Seminar on "Financial Management of Public Enterprises" was held in association with the Bureau of Public Enterprises at New Delhi from 18th to 23rd January, 1971. The Seminar was primarily organised for the senior financial executives of the Public Sector Undertakings. 30 participants were registered at a fee of Rs. 600. The instruction at the Seminar was imparted through lectures and case studies.

The Post-Graduate Committee also conducted a three day Seminar on "Management Accounting and Control System" at Ahmedabad. The Seminar was held from 5th to 7th February, 1971 and 45 participants were registered at a fee of Rs. 150 each. The following topics were discussed:—

- (a) Relevant Costs for Decision-making.
- (b) Identification of Responsibility Centres.
- (c) Performance Evaluation.
- (d) Managed Costs.
- (e) Management Reporting Systems.
- (f) Management Control Systems.

A Seminar on 'Trends in Regulatory Accounting' was held at Jaipur on the 8th, 9th and 10th April, 1971, and the following subjects were discussed:—

- (a) Requirements of Acts of Parliament such as Company Law, Taxation Laws and Labour Laws relating to accounts.
- (b) Requirements of Rules and Regulations framed by the Government agencies under various Laws affecting accounting.
- (c) Ethical Requirements of the profession concerning Accounting principles and procedures.

The Seminar was inaugurated by Shri Naval Kishore Sharma, M.P. The faculty for the Seminar consisted of Sarvashri P. B. Menon, Sukumar Bhattacharya, B. R. Malhotra and N. L. Hingorani. Shri P. B. Menon could not

attend the Seminar and in his place Prof. Om Prakash of the University of Rajasthan addressed the participants, Shri Joshi, Labour Commissioner, Government of Rajasthan and the Commissioner of Income-tax, Jaipur, were amongst the eminent guest speakers. The number of participants registered for the Seminar was 40.

A Seminar on 'Cost Audit' was held at the Great Eastern Hotel, Calcutta, on the 6th, 7th and 8th May, 1971, at which the following subjects were discussed—

- (a) Requirements and approach of Cost Audit.
- (b) Systems and Records for Effective Cost Audit.
- (c) Cost Audit Programme.

The Seminar was inaugurated by Hon'ble Dr. S. Das Gupta, Minister of Education, Government of West Bengal and attended by 48 participants at a fee of Rs. 200. The Faculty for the Seminar consisted of Sarvashri A. Das Gupta, P. M. Narielvala, E. V. Mani, A. K. Lahiri, S. K. Das Gupta and V. B. Haribhakti.

A Seminar on 'Analysis of Financial Statements' was held at Hotel Boulevard, Srinagar, on the 19th, 20th, 21st and 22nd May, 1971. The theme of the Seminar was discussed under the following topics:

- (a) Interpretation of Balance Sheet and Profit and Loss Account.
- (b) Return on Capital Employed.
- (c) Ratio Analysis.
- (d) Sources and Application of Funds.
- (e) Investment Decision.
- (f) Inter-firm and Intra-firm Comparison.

The Seminar was inaugurated by Hon'ble Shri V. C. Shukla, Minister of State in the Union Ministry of Defence, and attended by 47 participants at a fee of Rs. 500. The registration fee also covered the expenses on board and lodging of the participants.

The faculty for the Seminar consisted of Sarvashri S. K. Malkani, C. S. Samuel, A. Banerjee, N. N. Pal and A. K. Sen Gupta. Shri P. B. Menon, Director of Inspection and Investigation, Company Law Board; Dr. Raj K. Nigam, Director (Investments) and Addl. Controller of Capital Issues, Ministry of Finance and Mr. D. N. Kotwal, Registrar of Co-operative Societies, J. & K. State were the Guest Speakers.

A Seminar on 'Capital Investment Appraisal' was held at the Hotel Blue Diamond, Poona, on the 29th and 30th May, 1971. The theme of the Seminar was discussed under the following topics:

- (a) Concept of Present Value, Internal Rate of Return and their applications, and taxation laws that bear upon investment decisions.
- (b) Critical factors that determine the profitability of the investment; Cash inflows resulting from an investment, 'life' of the project, and 'cost of funds'.
- (c) Financial policies and their impact on investment decisions; the concept of 'cost of capital'.
- (d) Initiating ideas on capital investments, screening of such proposals and devising a method for control of capital expenses.

The faculty for the Seminar consisted of Professors V. L. Mote, S. K. Bhattacharyya and B. G. Shah of the Indian Institute of Management, Ahmedabad. Prof. V. L. Mote was the course co-ordinator. The number of participants registered for this Seminar was 84 and the registration fee was Rs. 200.

A Seminar on 'Modern Trends in Auditing' was held at the Hotel Mandovi, Panijm—Goa, on the 19th, 20th and 21st August, 1971, at which the following subjects were discussed—

- (a) Application of Test Check and Sample Check Methods in Audit of Large Corporations.
- (b) Sophistication of Audit Techniques of Enquiry, Evidence, Verification and Disclosures.
- (c) Reporting to Board of Directors in the course of Statutory Audits—Its usefulness and patterns.

The Seminar was inaugurated by Hon'ble Shri Nakul Sen, Lt. Governor of Goa, Daman and Diu. The faculty for the Seminar consisted of Sarvashri Shankar A. Aiyar, K. P. Bhargava, B. N. Pardiwalla, D. Vacher, P. M. Narielvala and H. H. Tapia. Mr. P. Y. Godbole, Accounts Member, Maharashtra State Electricity Board, Bombay, was the guest speaker and addressed the participants on 'Techniques of Audit'. The Lt. Governor also received the participants of the Seminar at Raj Bhawan in the evening of 20th August, 1971. The number of participants registered for the Seminar was 80.

(b) *Scholarships*.—During the year under report, scholarships of Rs. 500 each were granted to 10 members for the purchase of books. These have been paid from the funds collected by contributions as also from the funds of the Council.

The following firms of Chartered Accountants have made contributions for the purpose:

- (1) M/s. Brahmayya & Co., Madras.
- (2) M/s. Price Waterhouse, Peat & Co. Calcutta.
- (3) M/s. Ray & Ray, Calcutta.
- (4) M/s. S. B. Billimoria & Co., Bombay.
- (5) M/s. S. R. Batlibol & Co., Calcutta.

(c) *Examination and Training*.—The particulars of the number of members who appeared and were declared successful at the May and November, 1970, Management Accountancy Examination (Part I of the Course) are given in Appendix II.

Paragraph 4(2) of Schedule 'C' to the Chartered Accountants Regulations has been deleted so as to remove the restriction imposed on the candidates for the Management Accountancy Course who have passed in one group of the examination, to pass the remaining group at any one of the six examinations immediately following the examination in which he is declared to have passed the other Group.

At the end of the year, 43 members were engaged in practical training for Part II of the Course. In the preparation of their thesis, they are being guided by senior executives and accountants in industry.

(d) *Essay Contest*.—The National Productivity Council under the programme for APY, 1970, requested the Institute to organise an Essay Contest on the subject "Management Accounting—Its Contribution to Productivity". Pursuant to this, an Announcement was made in the May, 1970, issue of our Journal inviting Members to contribute Essays by 31st August, 1970, on any particular aspect of Management Accounting having a bearing on the main theme of APY, 1970.

The prizes offered were—

First Prize.	Rs. 500
Second Prize (two in number).	Rs. 300
Third Prize (five in number).	Rs. 100

The following members have been awarded the prizes:

First Prize.	Shri S. D. Sharma, A.C.A., New Delhi.
Second Prize.	Shri N. Krishnaswamy, F.C.A., Kathmandu.
	Shri H. M. Surana, A.C.A., Calcutta.
Third Prize.	Shri A. C. Rangarajan, A.C.A., Madras.
	Shri T. S. Subramanian, F.C.A., Varanasi.
	Shri Ajit Doshi, A.C.A., Udaipur.
	Shri K. Sivakumar, A.C.A., Gandhigram.
	Shri R. N. Bhaduri, A.C.A., Calcutta.

5. *Expert Advisory Service*.—During the year ended 31st March 1971, seven queries were received from members.

Three queries out of these seven and one query which was pending for disposal in the previous year were replied during the year. Two queries out of the pending 4 queries have since been replied.

6. Employment Committee.—The Committee has continued its efforts to help members in finding suitable employment through advertisements, personal contacts and official references. The leading employers both in public and private sectors and the various chambers of commerce and other representative bodies like the nationalised banks, cooperative institutions, municipal corporations and various municipalities in the country have been impressed about the various kinds of services that a Chartered Accountant in employment could render. As a result of letters written by the President to all these bodies, there has been an increased awareness of the advantages derived from utilising more and more chartered accounts for the purpose of employment.

The number of members on the Employment Register on 31st March, 1971 was 152 as against 209 on 31st March, 1970.

The booklet "Why don't you employ a Chartered Accountant" has been thoroughly revised and re-printed and has been circulated among important business houses. Chambers of Commerce and industry etc. with a view to popularising the wide variety of services rendered by Chartered Accountants.

The Second All India Convention of Chartered Accountants in Industry was held at the Indian Merchants' Chamber Conference Hall, Bombay on the 28th and 29th August 1971.

The Convention was inaugurated by Shri Harish Mahindra, President, Indian Merchants' Chamber.

At this Convention, the following subjects were discussed.

1. Role of Institute in Training and Education.
2. New Horizons for Members in Industry.
3. Economic Development and Role of Chartered Accountants.
4. Employers—vis-a-vis Chartered Accountants in Industry.

There were 13 papers on the above subjects.

About 160 delegates representing different industrial and professional interests from all over the country occupying important positions, participated in the Convention.

A Conference was organised by the Institute on 12th May 1971 with the Chairman, Managing Directors, Financial Directors and Finance Executives of important Public Sector undertakings. At this Conference, it was suggested for consideration that the Institute may set up a Cell for Public Sector undertakings which would deal with individual Public Sector undertakings as to their requirements in regard to the services of Chartered Accountants, training Courses for Accounting and Financial matters, the type of education and training of future Chartered Accountants, attend to the needs of the Public Sector Undertakings and to deal with various other problems of Public Sector Undertakings in which the Institute could play a part.

The Committee submitted a detailed memorandum to the Third Central Pay Commission on matters relating to the service conditions, pay structure and working conditions of the members of the Institute engaged in Central Government Services and Public Sector Undertakings. The President and members of the Committee also gave evidence before the Pay Commission subsequently.

In view of considerable demand for Chartered Accountants qualified in India in a number of developed and developing countries, the Committee is taking adequate steps to meet such demands. The Chambers of Commerce and the concerned departments of Governments in these countries are being requested to furnish their requirements of Chartered Accountants. It is hoped that there would be a good response from them in due course.

A list of some of the activities of the Institute for the benefit of members in Industry was published in the Journal of the Institute for February 1971 under the title "Special service rendered by the Institute to its members in Industry".

The Chartered Accountants Employment Assistance and Advisory Committee Calcutta has been reconstituted and the convensorship hitherto held by Shri M.C. Bhandari has been handed over to Shri R. L. Bathwal. The reconstituted Committee has been doing good work in revitalising the activities of the Committee and implementing the objectives, viz. (1) helping the unemployed members for finding out suitable employment and (2) suggesting any major changes in the syllabus and training given by the Institute in order to fit them as Accountants in Industry.

7. Taxation.—A pre-Budget Memorandum was submitted to the Finance Minister in April 1971.

Representatives of the Institute met the members of the Direct Taxes Enquiry Committee appointed by the Government of India in February 1971 for tendering evidence. Earlier in September 1970, the Council had sent a detailed memorandum to the Direct Taxes Enquiry Committee, by way of answers to the Questionnaire issued by the Committee, containing various concrete suggestions for curbing the evil of Tax Evasion and for streamlining the Tax Administration. The memorandum which gained publicity through the Press and otherwise, went a long way in countering the general impression in the public that the Chartered Accountants are not interested in mitigating the problems of tax evasion in the country, and in bringing to light the true role of Chartered Accountants.

The Third All India Seminar on Taxation was held at Madras on 30th and 31st January 1971. The Seminar was inaugurated by Hon'ble Mr. Justice T. Ramaprasada Rao, Judge, Tamil Nadu High Court. The four technical sessions were presided over by Hon'ble Mr. Justice M. U. Isaac, Judge, Kerala High Court. Hon'ble Mr. Justice E. S. Venkataramiah, Judge, Mysore High Court, Hon'ble Mr. Justice T. Ramaprasada Rao and Hon'ble Mr. Justice K. Ramanujam, Judge, Tamil Nadu High Court. The Rapporteurs of the four technical sessions were Shri Sukumar Bhattacharya, Shri P. M. Narlevala, Shri B. S. Vaid and Shri J. Gopalakrishnan.

A Special panel to study a suitable tax rate structure and make recommendations in that regard has been formed.

The Taxation Committee is proposing to bring out shortly an index of the Income-tax Act.

8. Unjustifiable Removal of Auditors.—A case of an alleged unjustifiable removal of auditors was reported to the Council where the existing auditors were removed and new auditors were appointed by the Board of Directors before holding the Annual General Meeting, on the footing that a casual vacancy in the office of the auditors of the company had occurred on the expiry of the period of one year, even though no Annual General Meeting was held. On a review of the facts and circumstances of the case reported, it was held that the change of auditors sought to be made in the circumstances was not justified and in the Council's opinion the appointment sought to be made of the new auditors was not valid, since no vacancy had arisen in the office of the auditors. The Council further felt that the existing auditors continued to be the statutory auditors until the conclusion of the next Annual General Meeting. The decision was communicated both to the existing auditors and the newly appointed auditors who were also informed that accepting the appointment in such circumstances would not be proper.

9. University Liaison Committee.—Among the many important events that took place in the year 1970-71, one was the revival of the University Liaison Committee, after a lapse of over 3 years. It was charged with the function of keeping in touch with the various universities in the country and impressing upon them the need for devising their curriculum with a professional base, so that the Accountants of tomorrow can be given the basic and rudimentary knowledge of the subjects for the profession. It was also charged with the function of co-ordinating the curriculum in various universities in order to ensure that universities have at least, in respect of subjects of the profession, a common syllabus and with a fairly good depth of the subject so that the student after his university education could prove suitable raw material for being processed for higher competence and professional expertise.

As a first step in building up collaboration with the universities, a conference of Vice-Chancellors, heads of departments of Commerce and other academicians was called on 4th December, 1970 to discuss the various areas in which liaison with universities would prove useful. Ideas were exchanged at this meeting, covering the entire ground of education in Commerce and Business Economics for the betterment of the quality of knowledge for membership, post education qualifications of the members as also the pure and applied fields of research in the field of accountancy. The Council is expected to follow up on these discussions and a greater degree of co-operation and co-ordination between the activities of the Universities and the Council is envisaged for the future.

The areas settled for a joint move were (1) associating Chartered Accountants with teaching of accountancy and allied subjects; (2) Utilising the experience and expertise of Chartered Accountants for research in the Universities; (3) creation of chairs in accounting with important Universities, and (4) establishment of local

advisory bodies at all Universities to have continuous liaison with the Institute and these Universities.

Local Advisory Committees consisting of academicians and Chartered Accountants have been set up at Banaras, Madras, Burdwan, Hyderabad, Gwalior, Gaya, Agra and Vallabh Vidyanagar. Efforts to form Advisory Committees at other places are in progress.

10. Cost Audit (Qualification) Rules 1970.—It was mentioned briefly in the last report that the Government of India had issued through a Notification dated 30th May, 1970, the Cost Audit (Qualification) Rules 1970 prescribing the following qualifications for a member to be appointed as a Cost Auditor:—

- (1) that he shall be a chartered accountant;
- (2) that he shall be a fellow of the Institute for a period of 10 years; and
- (3) that he shall be in practice within the meaning of the Chartered Accountants Act.

Though this Notification was dated 30th May 1970 the Rules actually came into effect from 18th July, 1970 when they appeared in the Gazette of India.

The conditions prescribed are not quite satisfactory from the point of view of the interest of the members of the Institute generally but a small beginning has, in any case, been made in prescribing the conditions which had been delayed for a long time. The Council hopes that in course of time it would be able to secure the right to perform cost audit for all members of the Institute.

A representation has been made to the Government of India urging that members of our Institute who are also members of the Institute of Cost and Works Accountants of India should be deemed 'ipso facto' eligible to be appointed as cost auditors.

Simultaneously with the above Rules, the Council issued a Notification under clause (ii) of Part II of the Second Schedule to the Chartered Accountants Act specifying that a member of the Institute shall be guilty of professional misconduct if—

- I. he accepts appointment as cost auditor of a company under Section 233B of the Companies Act, 1956, while he—
 - (a) is an auditor of the company appointed under Section 224 of the Companies Act; or
 - (b) is an officer or employee of the company; or
 - (c) is a partner, or is in the employment of an officer or employee of the company; or
 - (d) is a partner or is in the employment of the company's auditor appointed under Section 224 of the Companies Act, 1956; or
 - (e) is indebted to the company for an amount exceeding one thousand rupees, or has given any guarantee or provided any security in connection with the indebtedness of any third person to the company for an amount exceeding one thousand rupees:

OR

- II. after his appointment as Cost Auditor, he becomes subject to any of the disabilities stated in items I(a) to (e) above and continued to function as a cost auditor thereafter.

Subsequently, the Council issued another Notification to the effect that a member shall be deemed to be guilty of professional misconduct if he accepts appointment as an auditor while he is an employee of the company's cost auditor appointed under the Companies Act.

The following note on 'Independence of Cost Auditors' was also issued for the guidance of members:—

"The attention of members is invited to the note which appeared in 'The Chartered Accountant' in the issues of May 1964 and January 1968 entitled 'Independence of Auditors' dealing with the question whether a chartered accountant could act as auditor of a company where he is the relative of its managing director or a wholetime director. In view of the fact that Chartered Accountants possessing certain prescribed qualifications are now eligible to be appointed as

cost auditors under Section 233B of the Companies Act, 1956 the Council has thought it fit to bring to the notice of the members that the considerations which led to the issuance of the above mentioned note, would be equally applicable to a cost auditor also.

In other words, while the Council feels that there are adequate safeguards provided in the Companies Act as well as in the Chartered Accountants Act and further while it is of the view that independence, being a state of mind, is not necessarily affected by the fact of mere relationship any more than it would be in existence if the relationship did not exist, lest there may be any feeling in the public minds that the relationship would affect the independence of cost auditors, the Council suggests that where due to near relationship of a cost auditor with a managing or a whole-time director, the independence of the cost auditor is likely to be jeopardised, he should use his good sense, and acting in the best traditions of the profession, refrain from accepting the appointment.

Similarly if a cost auditor is a relative of a director other than a managing or a whole-time director and he feels that his independence is likely to be affected, he may refrain from performing the cost audit and leave it to one of his partners, if any, who may be entitled to be appointed as cost auditor."

11. The Companies (Amendment) Bill 1970 of Shri Chintamani Panigrahi—Memorandum To Government.—The above Bill sought to provide that no person shall hold office at the same time as auditor in more than 5 companies, in which not more than two, if any shall be public companies. The Bill also sought to exempt certain classes of companies from this computation of five such as unlimited companies, associations not carrying on business for profit, companies in which such persons are only branch auditors under Section 228 etc.

In the memorandum submitted to Government, the above suggestions were analysed in detail and it was explained that while the Council agreed with the idea that there should be an effort in the profession itself to achieve equitable growth, the means suggested by the author to achieve this end were not practicable. The Government of India was therefore urged not to accept the proposal but to allow the Council to introduce its own contemplated self-regulatory measures.

12. Recognition of Membership for purposes of admission to Ph. D. Courses.—The Council is happy to report that, in addition to recognition of membership for purposes of admission to Ph.D. courses already granted by some of the Universities, the Universities of Bombay and Kerala have also now granted such recognition.

The Bombay University has decided that the Chartered Accountants holding the B.Com. degree of that University or of any other University recognized as equivalent thereto are eligible to be admitted to the Ph.D. degree course in Commerce of that University.

The Kerala University has decided that Chartered Accountants are eligible for registration for Ph.D. Management Studies under the Faculty of Commerce of the said University.

13. Journal of the Institute—"The Chartered Accountant".—In the year under report, steps were continued to be taken to improve the quality and utility of the Journal. A Special Number of the Journal on the theme of "New Strategy for Economic Development" was published in June, 1971. Several new monthly features have been added to the Journal e.g., "Current Economic Events", "Accounting Abroad", "Recent Legal Decisions". The Journal itself has been given a new look. Giving a brief introduction of contributors with their photographs is a further addition. Vigorous efforts have been made to increase the advertisements.

The average net paid circulation of the Journal increased from 11,407 copies per month to 12,218 copies.

14. Publications.—The following publications have been printed during the period under report:—

1. Professional Ethics—Short Notes on High Court Decisions (Reprint).
2. Disciplinary cases—A study in retrospect.
3. Statement on Qualifications in Auditors' Reports.
4. Report of the Special Committee on Education and Training.
5. Reasons why chartered accountants should continue to perform cost audit as prescribed under Section 233-B of the Companies Act, 1956.

6. Audit of Banking Companies (Reprint).
7. A Study on expenditure during construction period.
8. Statement on changes in the mode of charging depreciation in the accounts.
9. Statement on valuation of stocks for purposes of Financial Accounts in cases where Cost Accounting Records Rules have been prescribed under the Companies Act, 1956.
10. Proceedings of All India Convention of Chartered Accountants in Industry-1969.
11. Paper Book of Third All India Seminar on Taxation-1971
12. Proceedings of the Residential Training Course on Public Accountability in a Development Economy held at Bangalore in 1968.
13. National Role of Chartered Accountants.
14. Do you know that a Chartered Accountant can render multiple services to your Organisation?
15. S. Vaidyanath Aiyar Memorial lectures by Prof. L. Goldberg.
16. Proceedings of the Second All India Seminar on Taxation.

IV. Other Matters

The Chartered Accountants Regulations.—Certain changes were made in the Regulations, some of the important among them being:

(a) *Number of chances in the Intermediate Examinations.*—As an interim measure, item 4 of Schedule 'B' to the Chartered Accountants Regulations was amended to provide that candidates who commenced their training on or after 18th July, 1964, and who had not passed the Intermediate examination of the Institute within the available chances after they become entitled to appear in it be afforded an opportunity to appear in Intermediate Examination in May/November, 1970, pending a decision by the Council as to whether the provision should at all be retained in the Regulations. (Subsequent to this, the Council, on the basis of the recommendation of the Special Committee on Education and Training, decided to substitute the existing provision by a new clause giving the candidates six years time to pass the Intermediate examination).

(b) *Levy of deposit with every complaint of misconduct.*—With a view to discouraging frivolous complaints being made against the members of the Institute, a clause has been inserted in existing regulation 11 to the effect that every complaint other than a complaint made by or on behalf of the Central or any State Government shall be accompanied by a deposit of Rs. 50 which will be forfeited if the Council, after considering the complaint, comes to the conclusion that no *prima facie* case is made out and moreover that the complaint is either a frivolous one or is made with *mala fide* intention.

2. **Special Committee on Education and Training.**—As has already been reported, the Council in September, 1968, appointed a Special Committee to enquire into issues concerning the Educational and Examination system for membership as also the role of the Institute in providing opportunities for continuing self education to members and make suitable recommendations. The Committee issued two sets of questionnaire for eliciting views on the various issues involved from members and students. The Committee also had meetings with heads of important Public Sector Units, leaders in Industry, leading educators, representatives of chambers of commerce, Senior members in the profession, students etc., for eliciting their views. The Committee submitted its historical report to the Council after long deliberations, extending over nearly two years. The Report was sent to all members of the Institute along with the December, 1970, issue of the Journal "The Chartered Accountant", which has been accepted by the Council.

Some of the important recommendations which may be of general interest, are reproduced below:—

1. The minimum entry requirement should be a degree of a recognised University. Entry should be through an entrance test to be held simultaneously with the other examinations held by the Council. The present scheme of an Intermediate Examination and final Examination should continue in addition to the entrance test. Graduates who have secured not less than 50 per cent of the total marks

in their degree examination will be exempt from passing the entrance examination. Candidates should be examined in the following papers in the three examinations:—

- | | |
|-------------------------------|---|
| (a) Entrance Examination: | 1. Elements of Accounting
2. English
3. Logic and Elementary Business Mathematics
4. General Commercial Knowledge and Economics. |
| (b) Intermediate Examination: | 1. Accounting
2. Accounting and Elements of Income-tax Law
3. Cost Accounting
4. Auditing
5. Mercantile Law, Company Law and Industrial Law
6. Business Mathematics and Statistics
7. Organisation and Management. |
| (c) Final Examination: | The Final Examination should have 10 papers in all, divided equally in two groups. Group I, should have 5 compulsory papers and Group II should have 3 compulsory papers and two more papers to be selected by the student out of seven alternative papers available. |

The following are the details:—

Group I

1. Advanced Accounting
2. Financial Management
3. Management Information and Control Systems
4. Cost Records and Cost Control
5. Auditing.

Group II

6. Company Law and Secretarial Practice
7. Direct Tax Laws
8. Economics and National Accounting.

In addition, any two of the following papers.

- (i) Corporate Management
- (ii) Operations Research and Statistical Analysis
- (iii) Managerial Economics
- (iv) Systems Analysis and Data Processing
- (v) Production and Inventory Control
- (vi) Tax Planning and Tax Management
- (vii) Management and Operational Audit.

2. The duration of the course should be a full period of 36 months after registration. After 33 months of practical training of which 12 months training may be in a prescribed industry at the option of the candidate, a student should be required to undergo intensive theoretical and institutional training for a period of 3 months at the Academy for Accountants proposed to be set-up. Students should be entitled to sit for the Final Examination only after the completion of the full period of 36 months of training. The Present practice of granting remission in the period of training should be discontinued.

3. The Chartered Accountants Regulations should be amended immediately to provide that if a candidate does not pass his Intermediate Examination within six years from the commencement of his practical training, he would thereafter be

debarred from attempting that examination. The provision regarding 'bad failures' should be scrapped.

The issue of the eligibility certificate by the Coaching Board should be administered more purposefully than hitherto, and, for the future, the certificates issued by the Coaching Board for the Intermediate Examination should have validity only for a period of 2 years.

No restriction on the number of chances is necessary with regard to the Final Examination as under the revised proposals that examination is to be taken only at the end of training.

4. There should be specific academic terms starting on the 1st January, 1st of April, 1st of July, and 1st of October, each year.

5. Steps should be intensified to achieve closer liaison and cooperation with the Universities.

6. Members should regard the engagement of articled clerks not as a right, but rather as a responsibility to the articled clerks and to the profession.

7. The number of articled clerks that might be trained by different categories of Fellow members should be increased by one in each category.

8. The system of audit clerks may be continued subject to the following conditions:—

- (i) The entry qualifications should be the same as those for articled clerks;
- (ii) The period of training for an audit clerk should be four years;
- (iii) Registration for audit clerkship should be permitted only after continuous employment with the member or the firm in which the member is a partner for a minimum period of one year at a salary not lower than Rs. 150 per month which shall continue to be paid during the period of training also;
- (iv) Only one clerk per member should be permissible.

9. The Council should persuade the members of the profession to pay stipends to articled clerks, but such payments should be left to be effected by them on a voluntary basis as at present. As an alternative to effecting payments in cash in the form of stipends, the members could also be encouraged to bear the cost of Coaching Board fees as also the fees for the training courses at the Academy for three months. In addition, members may also bear the cost of text books and other study material for their articled clerks. The Council should advise the members to give economic assistance to the students in the above directions.

10. The post-graduate examination in Management Accountancy should continue, but it may be necessary to give further consideration as to the lines on which the examination should be organised in the future. Steps may also be taken to launch a Post-Graduate Course for Accountants in Corporate Management.

11. The present practice of allowing use of the designatory words DMA and the description "Management Accountant" for those who have completed both parts of the present Post Graduate Examination may be continued. However, at a future date, when there is more than one Post-Graduate Course, all those who have qualified for the course may be allowed to use only one set of designatory letters, viz., DCM (short form for Diploma for Accountants in Corporate Management).

12. Any member who completes the Post-Graduate course should, in future, automatically be eligible for Fellowship of the Institute on that consideration alone.

Steps are being taken to implement the recommendations of the Committee by amending the Chartered Accountants Regulations, 1964.

3. History of the Accountancy Profession in India.—Vigorous efforts are being made to bring out the History of the Accountancy Profession in India as early as possible. This is expected to be ready by June, 1972.

4. Role of Chartered Accountants in National Affairs; their social Responsibilities and Improving the Public Image of the Profession.—The Council as well as members of the profession have always recognised that they have both to subserve the social and public interest. A chartered accountant does it mainly by assisting his client in running his business in a socially acceptable manner and the value of his assistance rests on his competence and technical conduct. He no doubt

performs his duties to the best of his ability towards his client and through him towards the society, but it is through the Institute and the Council that the high standards expected of him—educational, technical admission qualifications, ethical conduct—are developed and maintained. The Council recognises that it is its function to guide the members as to how they should conduct themselves to be of better use to those whom they serve and to lay down the standards and guidelines, wherever found necessary.

During the year, the Council made efforts to highlight the significance of the role of chartered accountants in the national affairs through a number of articles in various newspapers and journals as well as through a series of Press Conferences addressed by the President held in different places in the country. Booklets containing information about the variety of services which a Chartered Accountant can render were also distributed on a large scale. Particular mention may be made of the booklet entitled "Do you know that a Chartered Accountant can render multiple service to your organisation?".

Two important conferences were held as a further step in achieving the above objective—firstly, a conference on 5th December, 1970, with well known thinkers in economic, social, national and educational fields and another with educationists on 6th December, 1970.

The first conference mainly discussed the role of chartered accountants in the national affairs and the contribution which they could make for the advancement of the nation. There was a very useful and lively discussion and areas where activities of the accountants could be utilised, such as national accounting, proper costing and accounting systems in public sector undertakings, the tax evasion and avoidance problem etc., were discussed.

At the second conference were invited the educationists connected with commerce education in the country and other academicians representing various universities, colleges and institutes of management. Ideas exchanged at this meeting covered the entire ground of education in commerce and business economics for the betterment of the quality of knowledge for membership of the Institute, post education qualifications of the members as also the pure and applied fields of research in Accountancy. It is proposed to follow up on these discussions and a greater degree of cooperation and coordination between the activities of the Universities and our Institute is envisaged in the future.

Four areas in which possibility immediate action could be taken are (1) associating chartered accountants with teaching of accountance and allied subjects, (2) utilising the experience and expertise of chartered accountants for research in the Universities, (3) creation of chairs in accounting with important universities and (4) establishment of local advisory bodies at all Universities to provide continuous liaison between our Institute and these Universities.

Another important step taken is the formation of three special panels on (1) Suitable Tax Rate Structure, (2) Simplified and Effective Company Law and (3) Efficiency in Public Sector Undertakings.

The first panel will make a study of suitable tax rate structure taking into account the requirements of the country to meet the expenses on various developmental projects etc., and keeping in view at the same time the paying capacity of different strata of the tax-payers. It would suggest how the taxation rates should be modified for the betterment of the Nation. The Panel is guided and assisted by Prof. B. R. Shenoy.

The objective of the second panel is to make suggestions for simplifying and rationalising the provisions of the Companies Act which, even though voluminous, is not as effective as it should be. The underlying purpose is to make suggestions so that the Companies Act becomes an effective instrument of achieving the desired results without in any way making it too complicated. This panel is guided by Shri D. L. Mazumdar, former Secretary to the Government of India in the Department of Company Law Administration.

The last special panel will attempt to make its contribution towards increasing efficiency in the public sector undertakings and would suggest concrete measures for improving the efficiency in production and reducing the cost. It would also suggest measures for installing proper management accounting control and costing systems. This panel is guided by Shri P. L. Tandon, Chairman, State Trading Corporation.

There is an urgent need for helping social organisations in their audits and also in advising them as regards the manner in which their accounts should be

maintained and presented to their members. As circular letter was sent to all social organisations offering assistance to them in the above directions, including the holding of a few seminars for training their personnel in proper accounting, financial control, budgeting, etc.

6. Reciprocal Recognition of Membership.—Pursuant to a decision of the Council, the question of recognition of membership of the Institute, on a reciprocal basis, has been taken up with the following overseas accountancy bodies:—

1. **U.K.**

The Institute of Chartered Accountants in England and Wales.
The Institute of Chartered Accountants of Scotland.
The Institute of Chartered Accountants in Ireland.

2. **U.S.A.**

The American Institute of Certified Public Accountants.

3. **Canada.**

The Canadian Institute of Chartered Accountants.

4. **France.**

Ordre National des Experts Comptables et Comptables Agrées.

5. **Germany.**

Institut der Wirtschaftsprüfer in Deutschland E.V.

6. **Australia.**

The Institute of Chartered Accountants in Australia.
The Australian Society of Accountants.

7. **Japan.**

The Japanese Institute of Certified Public Accountants.

Memoranda submitted to the Joint Committee of both the Houses of Parliament on the Comptroller and Auditor General's (Duties, Power and Conditions of Service) Bill, 1969.—The Joint Committee of the Parliament on the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Bill, 1969, invited the Institute to offer its views in regard to the suggestions made to the Committee for enlarging the area of audit by the Comptroller and Auditor General and bringing within its purview among other things:

- (i) all statutory corporations and Financial Institutions as well as the Reserve Bank;
- (ii) all companies in which Government hold 25 per cent. or more of the shares and the investment of the Government in such companies exceeds Rs. 1 crore;
- (iii) accounts of the contractors with whom contracts exceeding Rs. 1 crore are entered into by Government on the basis of negotiations (without calling tenders);
- (iv) subsidies paid by Government to companies and other bodies, e.g., export subsidies; and
- (v) foreign exchange transactions where they involve some form of *quid pro quo*.

A memorandum dealing with the above points was submitted to the Joint Committee. A separate memorandum was submitted to the Committee 'suo moto' in regard to the other matters in the Bill.

The President and representatives of the Council gave evidence before the Select Committee.

8. Library.—During the year, 531 books were added to the Central Council Library at New Delhi. Increasing use of the library was made by the members and students as would be clear from the following figures:

Year	Attendance	No. of books consulted
1966-67	4500	7000
1967-68	4810	7800
1968-69	4990	8300
1969-70	5200	9000
1970-71	5500	9500

In addition, books are being sent from the Central Council library at New Delhi, by post to members who are preparing for the Post-Graduate Course in Management Accountancy and are residing outside Delhi.

The Council sanctioned a total amount of Rs. 38,000 for the purchase of books for the Regional Council Libraries. The number of books at the Central Library and in the regional centres are given below:

Total number of books	
Central Library	9092
Western India	3730
Southern India	3317
Eastern India	3383
Central India	787

9. Construction of Annexe to the Institute's Building.—The construction of the Annexe has been completed and part of the Secretariat and library has moved into it.

10. Nominees of the Institute on other bodies.—The Institute was represented on the following outside bodies by its members whose names are given opposite the names of the organisations:

<i>Name of the Body</i>	<i>Names of the Representative</i>
1. The General Council of the Institute of applied Manpower Research.	Shri M. C. Bhandari.
2. The National Productivity Council.	Shri Bansi S. Mehta.
3. The All India Board of Technical Studies in Commerce.	Shri P. B. Vijayaraghavan.
4. The All India Board of Technical Studies in Management.	Shri V. B. Haribhakti.
5. Board of Assessment of the All India Council for Technical Education for advising Central and State Governments on recognition of technical and professional qualifications.	Shri G. Saha.
6. Study Group for Commercial Subjects. Directorate General of Employment and Training.	Shri S. G. Argade.
7. Inter-University Board of India and Ceylon—Committee for assisting in the preparation of a code of financial procedure for Universities.	Shri B. R. Malhotra. Shri Mahesh Datta.

11. The Chartered Accountants Benevolent Fund.—During the year the number of members increased from 159 to 169 and a sum of Rs. 7,125 was disbursed. The balance to the credit of the Fund at the end the year stood at Rs. 66,835 as against Rs. 54,399 at the end of the previous year.

The Fund has been giving financial aid to poor and needy widows of Chartered Accountants on the recommendations made by the Chairmen of the respective Regional Councils.

As the membership to the Fund is too meagre, constant appeal is made by the President to all members of the Institute through the Journal, to enrol themselves as members of the Fund.

12. **S. Vaidyanath Aiyar Memorial Fund.**—Two scholarships of Rs. 50 each tenable for one year were granted to the articled clerks serving in the Northern Region. In addition two merit scholarships also of Rs. 50 each tenable for one year were granted to students who had secured one of the five positions in the Intermediate Examination held in May 1970 but were not eligible to the scholarships under the merit and loan scholarship scheme and another two to those who secured similar positions in the Intermediate Examination held in November, 1970.

A Charity show was held on 4th September, 1970 at Shiela Theatre, New Delhi of the picture "Funny Girl" which fetched an income of about Rs. 25,000. Efforts are being made to hold Charity Shows at other centres.

A Memorial lecture by Shri S. P. Mehta was held at Bombay on 27th August 1970 under the auspices of the Western India Regional Council on the subject "Tax laws in India".

A series of four memorial lectures were delivered by Prof. L. Goldberg at Delhi, Bombay, Madras and Calcutta on 9th December, 14th December, 19th December and 21st December 1970 respectively on the following subjects:—

- (1) The social responsibilities of Chartered Accountants.
- (2) The Auditor's report—its function and significance.
- (3) Accounting principles—the problem of authority.

These lectures have been provided in a book form for the benefit of the members and the students.

An announcement was published in the Journal of the Institute for November 1970 and for January 1971 for (1) a cash award to be made for the year 1970-71 to a member of the Institute who had made an outstanding contribution in the field of Accountancy or in an allied subject and (2) a financial incentive upto Rs. 1,000 to be given to a member of the Institute to undertake and complete during the year 1970-71 the Research Project on "Better presentation of published accounts" for which a panel of judges had been appointed consisting of the Chairman, the member-secretary, Shri R. Venkatesan, Shri M. H. Mody and Shri P. S. Bhargava. There was only one candidate in the field for cash award and it was found to be not possible to offer him the cash award on the basis of his thesis. The Chairman of all the Regional Councils have been requested to suggest names for being considered by the same panel of judges. For the Research Project, four candidates had applied out of which the applications of three candidates were rejected. The fourth candidate was requested to recast the outlines of the project sent by him. One more Announcement in this regard was made in the Journal and the Chairman was authorised to make the selection if a candidate better than the fourth Candidate was forthcoming or to give the offer to the fourth candidate himself. Accordingly Shri S. K. Sanyal, Chartered Accountant, Calcutta, has been selected by the Chairman to work on the Research Project.

The number of members increased during the year from 18 to 33. At the end of the year the balance to the credit of the Fund was Rs. 23,745 as against Rs. 15,228 at the end of the previous year.

V. CONFERENCES

1. **Sixth Conference of Asian and Pacific Accountants.**—A delegation led by the then President, Shri H. B. Dhondy, as leader and Shri M. C. Bhandari, as deputy leader, consisting of five official delegates and 12 observers, attended the Sixth Conference of Asian and Pacific Accountants held in Singapore and Kuala Lumpur between 17th and 26th August, 1970.

Besides contributing a paper for the first technical session on "The scope and practice of the Accountancy Profession", Shri Dhondy also chaired the second technical session of the Conference. The delegation of the Institute contributed very effectively throughout the Conference in every sphere of its activities. The delegates were looked after very well by the organizers who entertained all their guests, at their expense, in the best hotels and restaurants at Singapore and Kuala Lumpur.

The Conference passed a very important resolution unanimously recognising the need for establishing, on a continuing basis, more effective co-operation and co-ordination among the accountancy bodies in the Regions. Thailand was chosen as the venue for the next conference to be held some time between September and November 1973 in Bangkok.

Shri M. C. Bhandari, the then Vice-President, gave a report on socio-economic and political conditions of the countries he visited.

The President met the representatives of the Japan Federation of Certified Public Tax Accountants Association, by far the largest organisation of accountants in Japan, and on their invitation visited Japan where he had most interesting and educative discussions with them and he was very much impressed by the range and quality of services rendered by them to their members.

2. Tenth International Congress of Accountants.—The Council has accepted the invitation for sending a delegation to the Tenth International Congress of Accountants organised jointly by the Australian Society of Accountants and the Institute of Chartered Accountants in Australia, from 16th to 20th October 1972, in Sydney, Australia. The theme of the Congress is "Financial Measurement and Communication".

The Council has so far selected 52 members for attending the Congress but more and more members are applying for joining the delegation.

The Council accepted the invitation of the organisers and nominated Shri S. V. Ghatalia to prepare a national paper on "Information for Management".

3. Working Party of International Congress of Accountants.—The Council accepted the invitation received from the President of the Tenth International Congress of Accountants, inviting our Institute to nominate two representatives on its working party, appointed for reporting on the role of international congresses in the development of accounting thought and understanding. The Council nominated Shri N. R. Mody, a past President, and Shri C. Balakrishnan, the Secretary of the Institute, as its representatives.

The Third meeting of the International Working Party was held in the Institute of Chartered Accountants in England and Wales in London, on the 30th September and 1st and 2nd October, 1970. It was attended by Shri N. R. Mody and Shri C. Balakrishnan.

VI. REGIONAL COUNCILS AND THEIR BRANCHES

Regional Councils continued to function in five Regional constituencies, viz., Western (Bombay), Southern (Madras), Eastern (Calcutta) Central (Kanpur) and Northern (Delhi). In pursuance of Regulation 134 of the Chartered Accountants Regulations 1964, the Seventh Regional Councils of the Institute of Chartered Accountants were constituted on 16th September, 1970. The Regional Councils were active and arranged several Conferences, seminars, lectures, study circles meeting, etc. A reference to the more important activities is given below:—

WESTERN INDIA

The Regional Council organised following study circle meetings and lectures during the year under report:—

STUDY CIRCLE MEETINGS

Date	Speaker Sarv/Shri	Subject
17-11-1970	C.C. Chokshi	Capital Gains Tax.
24-11-1970	S.V. Ghatalia	Return on Capital.
8-12-1970	H.M. Talati	Assessments of H. U. Fs.
29-12-1970	C.S. Samuel	Management Accounting in Financial field.

LECTURES:

Date	Speaker Sarv/Shri	Subject
2-4-1970	David F. Linowes	Recent Development in Accountancy Profession in the U. S. A.
25-5-1970	R.S. Gae	Taxation Laws and Fundamental Rights.
27-8-1970	S.P. Mehta	Tax Laws in India.
15-12-1970	O.V. Kuruvilla Commissioner of Income-tax, Bombay City-1, Bombay.	Plans and Programmes of the T. Department in Bombay.
22-12-1970	Y.H. Malegam	Computer Accounting and Auditor.
5-1-1971	N.C. Mehta	Recent case Laws on Sales Tax.

A Seminar on "Monopolies Act, Foreign Exchange Act; Company Law and Cost Audit" arranged on 9th and 10th January, 1971.

The Second Western India Regional Conference was held at Bombay on 11th, 12th and 13th March, 1971. The Conference was inaugurated by Shri G. P. Kapadia, First President of the Institute. Twenty-two papers were presented for discussion at the Conference comprising of five technical sessions which almost covered all the subjects of topical interest.

SOUTHERN INDIA

A Seminar on Internal Control and Internal Audit was held at Bangalore on 11th and 12th April, 1970. Hon'ble Shri Rajasekharamurthy, Minister for Industries, Government of Mysore, presided over the inaugural function. Shri H. B. Dhondy inaugurated the Seminar.

The Fourth Southern India Regional Conference was held on 27th and 28th June, 1970 at Madras. Shri V. R. Nedunchezian, Hon'ble Minister for Education and Health, Government of Tamil Nadu inaugurated the Conference.

The Regional Council held an Electronic Data Processing Appreciation Course in collaboration with ICL at Bangalore on 24th and 25th August, 1970. 38 Members attended the Course. A course on 'Quantitative Techniques for Accounting Decision' was also organised on 25th and 26th September, 1970. 20 Members attended the Course.

A Seminar on Company Law was conducted on 28th November, 1970. Shri S. Narayanaswamy M.L.C. inaugurated the Seminar. Shri D. C. Kothari, President, Federation of Indian Chambers of Commerce addressed the delegates at the concluding session.

EASTERN INDIA

A Seminar on 'Professional Development—Problems and Prospects' was arranged on 26th December, 1970.

A Symposium on 'Self Regulation in Profession' was arranged on 20th February, 1970.

NORTHERN INDIA

The Regional Council constituted various Study Groups which meet every month and discuss the problems.

The Regional Council started a monthly Journal by the name—NIRC NEWS LETTERS—from January, 1971, to establish contact with members and to incorporate the proceedings of the various study groups and to enlighten them and the business houses on current economic, financial and professional problems as well as problems relating to Company Law and Taxation matters.

Shri R. S. Gae, Secretary, Ministry of Law, Government of India delivered a talk on 'Cost Audit of Accounts' under Section 233B of the Companies Act, 1956.

BRANCHES OF REGIONAL COUNCILS

It has been decided that the jurisdiction of the branches of the Regional Councils should be extended from the present 10 miles radius from city limits to a radius of 50 miles, thus increasing the number of members which a Branch can serve as also enabling more branches being set up wherever it is found necessary.

The following branches of the Regional Councils have been newly set up:—

Western India Regional Council	:	Surat.
Southern India Regional Councils	:	Mangalore, Salem, Tiruchirappalli and
Central India Regional Council	:	Vijayawada.
	:	Indore and Jamshedpur.

In addition to the above, 4 existing branches in the Western India Regional Council, viz., Ahmedabad, Baroda, Poona and Nagpur; 5 at Southern India Regional Council, viz., Bangalore, Coimbatore, Ernakulam, Hyderabad and Madurai and 1 at Central India Regional Council, viz., Jaipur, continued to function.

BARODA BRANCH

The Branch arranged following Lectures for the benefit of the Members:—

1. Shri J. P. Sharma, Appellate Assistant Commissioner of Income-tax, spoke on "Audited Accounts and Tax assessments."
2. Shri C. D. Amin, Chairman of the Branch spoke on 'Training and Education of Articled Trainees.
3. Shri S. R. Desai, Finance Manager, Joyti Ltd., Baroda spoke on 'Budgetary Control'.
4. Shri Anil M. Parikh spoke on 'Role of Chartered Accountants in developing economy'.

Shri J. P. Shah, Advocate, Gujarat High Court, delivered a lecture on penalties under Direct Taxes Acts.

POONA BRANCH

Following Lectures were arranged by the Branch which were attended by Members in large numbers:

<i>Date</i>	<i>Speaker Saru/Shri</i>	<i>Subject</i>
5-4-1970	N.V. Iyer	Remuneration of Directors.
11-4-1970	C.C. Chokshi	The Union Budget 1970-71.

COIMBATORE BRANCH

During the year under report, the following meeting or lectures were arranged.

<i>Date</i>	<i>Speaker Saru/Shri</i>	<i>Subject</i>
30-5-1971	S.R. Monani, Marketing Manager, India Tobacco Co Ltd.,	The changing role of Accountant.
15-7-1970	J.M. Prabhu, Manager, Mettur Beardseli Ltd.	Social responsibilities of Auditors.
12-8-1970	A. Krishnan, Agent, State Bank of India.	The balance sheet as the Banker looks at it of India.
12-12-1970	S. Ganapathisubramaniam, Management Consultant, Administrative Staff College of India.	Management Reports for the small entrepreneur.
16-12-1970	D.V. Subbachar, F.C.A.,	Treatment of Gratuity in Accounts-Auditors Responsibility & Taxation aspect relating thereto.

VII. MEMBERS

1. **Membership Changes.**—The number of members of the Institute on 31st March, 1971 was 11227—an increase of 1044 since 31st March, 1970. During the year 288 Associates were enrolled as Fellows as compared to 306 in the previous year. A table showing the number of members on 31st March, 1971 compared to the members on 31st March, 1970 is given as Appendix III.

2. **List of Members.**—The List of Members as on 1st April, 1971 have been published and copies have been supplied to the members who asked for the same.

The postal zone numbers have also been published in the list after the addresses, wherever the information was available.

3. Disciplinary Action.—Details of the finding of the Council in the cases referred by it for enquiry to the Disciplinary Committee under Regulation 11(8)(i) since the last report is given in Appendix IV.

4. Levy of Deposit with Complaints.—The following provision in Regulation 11 has been made and it has come into effect with effect from 15th May, 1970.

In regulation 11, between the existing sub-regulations (3) and (4) insert the following new sub-regulation namely:—

“(3A) Every complaint, other than a complaint made by or on behalf of the Central or any State Government, shall be accompanied by a deposit of fifty rupees which will be forfeited if the Council, after considering the complaint, comes to the conclusion that no *prima facie* case is made out and moreover that the complaint is either a frivolous one or is made with *mala fide* intention.”

5. Notification regarding disclosure of interest of “Relatives” by the Auditor.—The following notification has been published in the Gazette of India dated 20th March, 1971:—

“No. 1-CA(44)/71.—In exercise of the powers conferred by clause (ii) of Part II of the Second Schedule to the Chartered Accountants Act, 1949, the Council of the Institute of Chartered Accountants of India specifies that a member of the Institute shall be deemed to be guilty of professional misconduct if he expresses his opinion on financial statement of any business or enterprise in which one or more persons who are his “relatives” within the meaning of section 6 of the Companies Act, 1956 have either by themselves or in conjunction with such member a substantial interest unless he discloses the interest also in his report

Explanation.—For this purpose the expression “substantial interest” shall have the same meaning as is assigned thereto under Explanation 3 to Section 13 of the Income-tax Act, 1961.”

6. Efforts of Enrolling Members.—With a view to bringing within the fold of the Institute those who have qualified for membership but have not enrolled themselves as members; as also those who had at one time or the other been members of the Institute but had given up the membership for certain reasons, it has been decided to highlight the activities which have been and are being undertaken by the Institute for the benefit of members, more particularly those in industry. Views are also being invited as to the manner in which such activities or services could be improved.

7. Enrolling Fellow Members.—Many of our members in industry have not yet become fellows although they are entitled to do so, possibly because they may not be aware of their eligibility and advantages of becoming fellow members. These facts are being brought to their notice.

8. Compendium of Chartered Accountants Services.—It is proposed to compile a compendium of services of chartered accountants in various fields in addition to their practice of profession. These fields would include arts, science, literature, education, social work, economic activity, civil work, political work and so on. Several of our members have achieved name and fame in some of these spheres and are serving or have served on various Committees, Commissions, bodies and institutions.

It is proposed to compile all the details in this regard so that the role of our members in national affairs could be properly evaluated and publicised.

9. Definition of ‘Residence’.—The Council has decided that in the case of persons who are not permanently residing in India and are enrolled as members of the Institute under the proviso to Section 4(1)(v) of the Chartered Accountants Act on the basis of their overseas qualifications, the following shall be the criteria to be satisfied by them in regard to ‘residence’ as per the requirements of the resolutions of the Council which appears as Appendices (5) and (6) to the Chartered Accountants Act:—

“(a) if a person is in India in a year for a period or periods amounting in all to 182 days or more; or

(b) if he maintains or causes to be maintained for him a dwelling place in India for a period or periods amounting in all to 182 days or more in a year and has been in India for 90 days or more in that year.”

VIII. Annual Award for the Best Presented Accounts and Budget

During the year under report, 125 entries were received for the competition for the best presented accounts.

The following awards were made:—

Institute's Shield for the best presented accounts during the year 1968-69.

Imperial Tobacco Company of India Limited, for its annual report and accounts for the year ended 31st March, 1969.

Institute's Plaques for highly commended accounts:

State Trading Corporation of India Limited for the year ended 31st March, 1969.

Brooke Bond India Limited for the year ended 30th June, 1968.

Consolidated Coffee Limited for the year ended 30th June, 1968.

The Research Committee has decided to sponsor a new award for the best presented budget. Information is being collected for the formulation of the criteria for deciding the winner.

IX. ARTICLED AND AUDIT CLERKS

Fresh Enrolments.—The members of articled and audit clerks registered during the year, compared to those registered in the previous year, are given below:

	1970-71	1969-70	Total No. of assistants
Articled clerks	2851	2636	9328
Audit Clerks	1101	952	4170
	3952	3588	13498

2. Number of chances in the Intermediate Examination.—According to the second proviso to paragraph 4 of Schedule 'B' to the Chartered Accountants Regulations 1964, a candidate shall not be admitted to the Intermediate Examination if he fails to pass at any of the six examinations held immediately after he became entitled to appear in the said examination. The question often raised is whether the six chances available under this rule are the chances actually taken or the chances that could have been taken. It has all along been interpreted that the reference is to the number of chances a student could have availed of and not the number actually availed of. However, there have been genuine cases of hardship where students were prevented from appearing due to circumstances beyond their control, such as prolonged illness, etc.

Further, the idea with which this provision was introduced was to weed out students sufficiently early so that they could seek their career in other fields without further wastage of time. It has been noticed in actual practice that often, by the time the weeding out process starts, the students have already completed their full period of training or nearly come to the end of it, with the result that the intended objective of encouraging them to seek an alternative career before completing their training becomes difficult of achievements.

The Council therefore, after very careful consideration, has decided that the existing provisions be substituted by a new provision giving the candidates six years' time to pass the Intermediate Examination after they become entitled to appear.

The amended provision has come into force from June, 1971.

3. Maintenance of List of Vacancies of Articled Clerks.—The Council has prepared a list of vacancies of articled clerks available with the members of the Institute all over the country. This list contains the names of the members of the Institute with their full postal addresses townwise and regionwise and also

the date or dates on which the vacancies would arise. Students desirous of taking up the course may refer to the list at the headquarters of the Institute at Delhi and also at the offices of the Regional Councils at Bombay, Madras, Calcutta, Kanpur and also at branch offices of the Regional Councils at Ahmedabad, Bangalore, Baroda, Coimbatore, Ernakulam, Hyderabad, Madurai, Poona, Nagpur and Jaipur.

The list has also been sent to all important Commerce Colleges throughout the country to help the Students Community as a whole.

4. Coaching Board:—

(a) *Strength*.—During the year under report, 3447 students were enrolled for the Intermediate Course as against 2915 in the previous year. For the Final Examination 2147 students commenced tuition as against 1552 in the previous year. The number of students who completed tuition during the year was 2773 for the Intermediate as compared to 2370 in the previous year. Also 1372 and 1366 students completed tuition for Group I and Group II for the Final Course as compared to 1549 and 1565 students respectively in the previous year. (Details are in Appendix V).

(b) *Revision Classes*.—These were held at all the Regional headquarters and at 13 other places. These continue to be popular. In addition, at Madras two Intensified Courses, extending over 12 weeks, were organised for the benefit of the weaker students.

As regards the steps for organising Study Groups in Management Accounting and Taxation, the Executive Officer at Bombay invited the students by a general notice to enrol themselves for such Groups. However, because of poor response, the study groups could not be organised.

A significant change that has been made is that henceforth the Coaching Board will re-imburse the deficit in respect of the revision classes without any maximum limit per student provided prior approval for the budget is obtained.

(c) *Students' Libraries*.—During the year the Board sanctioned the establishment of students' libraries at Vijayawada, Rajkot and Nasik thus bringing the total number of such libraries to 20, excluding those at Regional headquarters.

Further, a number of libraries were strengthened by supplying additional books.

(d) *Other Facilities provided to students*.—The facilities mentioned in the previous report continued to be provided. These are:

- (1) A short course in English;
- (2) Incentives for contribution to students' page in the Institute's Journal;
- (3) Declamation Contests carrying a first prize of Rs. 100 and a second prize of Rs. 50 (in books) at Regional headquarters. The Board has decided to extend this facility to the Branches also.
- (4) Liaison Committees at Regional headquarters to build another channel of communication between the students and the Board.

(e) *Volumes of Suggested Answers*.—The Coaching Board is glad to report that all the volumes of suggested answers including those for the November, 1970 examinations have been published and are on sale. The Coaching Board affirms its resolve to publish each future volume within three months of the date of the examination.

(f) *Merit and Loan Scholarships*.—During the year 10 Merit and 17 Loan Scholarships were awarded. Applications for 13 loan scholarships have been approved but as yet in this respect the formalities have not been complied with by the students.

The cumulative total of scholarships awarded till 31st March, 1971 is as follows:

Merit Scholarships	50
Loan Scholarships	78

The reimbursement of Loan Scholarships has started, 5 students have reimbursed the entire amount; another five students have started paying the required instalments.

(g) *Appointment of new Director of Studies.*—Shri T. S. Grewal, previously Deputy Director of Studies, was promoted as Director of Studies with effect from 1st March, 1971.

Hostels for Students.—Development have moved another step in the matter of providing hostel facilities to the Students in the Western Region with the establishment of an Educational Trust by the Western India Chartered Accountants Students' Association.

The trust is known as "Western India Chartered Accountants Students' Educational Trust". The trust arranged an entertainment programme "Mukesh Nite" on 23rd February, 1971 in order to raise funds for the hostel. To mark the occasion a "Souvenir" was also issued. The programme was a great success and gave the trust an approximate contribution of Rs. 70,000.

Efforts are being made by Students' Associations in other regions to constitute similar Trusts. It is felt that in course of time each region would have its own Trust for purpose of running hostels.

Third All India Chartered Accountants Students' Conference.—The Council is happy to report the successful conduct of the Third All India Chartered Accountants Students' Conference held at Madras from 29th July to 31st July, 1971.

The Conference received a wide response both from students and eminent persons in public life. Nearly 900 delegates from all parts of the country participated in the Conference. It was inaugurated by Shri K. K. Shah, Governor of Tamil Nadu while Shri P. Brahmayya, a former President of the Institute presided over the inaugural session.

The Council wishes to place on record its appreciation of the contribution made by the members and the students of the Southern India Region in making the Conference a success.

5. Students' Association and their Branches.—The Students' Associations and their Branches were very active during the year. They held conferences, lecture meetings, symposia, etc., and arranged industrial visits and picnics.

X. EXAMINATIONS

1. Examinations 1970.—The examinations were held as usual in May and November 1970 at various centres all over India. New examination centres were opened at Mangalore, Baroda and Jodhpur. The statistics regarding the number of candidates who appeared and those declared successful are given in Appendix VI.

2. Prizes and Certificates of Merit.—Names of the candidates who were awarded Prizes and Certificates of Merit in these Examinations are included in Appendix VII.

XI. OBITUARY

1. Late S. Suryanarayan.—At its meeting held in September 1970, the Council condoled the death of Shri S. Suryanarayan, a member of the Council between 1949—52 and 1955—58 and Vice-President of the Institute during the year 1957-58. A condolence resolution was also sent to the bereaved family.

2. Death of Members.—The Council records with regret the sad demise, during the year, of the members whose names are given in Appendix VIII.

XII APPRECIATION

The Council wishes to place on record its grateful thanks to the Government for its continued support and assistance.

The Council also wishes to place on record its appreciation of the work done by the officers and staff during the year under report.

C. BALAKRISHNAN,
Secretary.

A. B. TANDAN,
Vice-President.

M. C. BHANDARI,
President.

NEW DELHI,

Dated, 16th September, 1971.

APPENDICES I (A, B, & C)

(Reference: Sections I-1 and I-3 of the Report)

A. MEMBERS OF THE COUNCIL

BHANDARI, M. C.

President.

TANDAN, A. B.

Vice-President.

Argade, S. G.	Bombay
Brahmayya, P.	Madras
Damania, H. M.	Bombay
Ganapathy, C. C.	New Delhi
Ganesan, K.	Calcutta
Gupta, S. K.	Calcutta
Haribhakti, V. B.	Bombay
Kabra, B. L.	Bombay
Khanna, R. K.	New Delhi
Kothari, B. S.	Calcutta
Krishnan, N. C.	Madras
Maheshwari, B. R.	Delhi
Maitra, H. K.	New Delhi
Mallik, P. K.	Calcutta
Mehta, B. S.	Bombay
Mehta, M. C.	Indore
Parikh, Anil M.	Bombay
Rao, H. A. K.	Bangalore
Saha, G.	Calcutta
Sen, R. N.	Calcutta
Shah, R. D.	New Delhi
Sivaramakrishnan, A. K.	Madras
Talati, H. M.	Ahmedabad
Tandon, P. L.	New Delhi
Vijayaraghavan, P. B.	Madras

B. MEMBERS OF THE VARIOUS COMMITTEES

(a) *Standing Committees*(i) *Executive Committee:*

Shri M. C. Bhandari, President.
 Shri A. B. Tandan, Vice-President.
 H. M. Damania.
 Shri R. K. Khanna.
 Shri G. Saha.

(ii) *Examination Committee:*

Shri M. C. Bhandari, President.
 Shri A. B. Tandan, Vice-President.
 Shri B. S. Mehta,
 Shri H. A. K. Rao.
 Shri P. B. Vijayaraghavan.

(iii) *Disciplinary Committee:*

Shri M. C. Bhandari, President.
 Shri A. B. Tandan, Vice-President.
 Shri C. C. Ganapathy.
 Shri N. C. Krishnan.
 Shri P. K. Mallik.

(b) *Non-Standing Committees*(i) *Research Committee:*

Shri R. N. Sen, Chairman.
 Shri P. L. Tandon, Vice-Chairman.

Subsequently replaced by Shri Pravinchandra V. Gandhi,

Shri M. C. Bhandari, President. (*Ex-officio*).
 Shri A. B. Tandan, Vice-President. (*Ex-officio*).
 Shri V. B. Haribhakti.
 *Shri B. S. Kothari.
 Shri B. S. Mehta.
 Shri A. K. Sivaramakrishnan.
 Shri P. B. Vijayaraghavan.
 Shri C. K. Hazari, Co-opted member.
 Shri N. S. Sheshadri, Co-opted member.

(ii) *Post-Graduate Course Committee:*

Shri H. M. Talati, Chairman.
 Shri S. K. Gupta, Vice-Chairman.
 Shri M. C. Bhandari, President. (*Ex-officio*).
 Shri A. B. Tandan, Vice-President. (*Ex-officio*).
 Shri K. Ganesan.
 Shri H. K. Maitra.
 Shri P. L. Tandon.
 Shri M. P. Wadhawan, Co-opted member.
 Shri N. N. Pai, Co-opted member.

(iii) *Professional Development Committee:*

Shri V. B. Haribhakti, Chairman.
 Shri H. K. Maitra, Vice-Chairman.
 Shri M. C. Bhandari, President. (*Ex-officio*).
 Shri A. B. Tandan, Vice-President. (*Ex-officio*).
 Shri S. K. Gupta.
 Shri R. N. Sen.
 Shri R. D. Shah.
 Shri Rameshwar Thakur, Co-opted member.
 Shri C. S. Samuel, Co-opted member.

(iv) *Hindi Committee:*

Shri S. G. Argade, Chairman.
 Shri B. R. Maheshwari, Vice-Chairman.
 Shri M. C. Bhandari, President. (*Ex-officio*).
 Shri A. B. Tandan, Vice-President. (*Ex-officio*).
 Shri B. S. Kothari.
 Shri Anil M. Parikh.
 Shri H. A. K. Rao.
 Shri V. K. Tembe, Co-opted member.
 Shri J. M. Sharma, Co-opted member.

(v) *Taxation Committee:*

Shri A. K. Sivaramakrishnan, Chairman.
 Shri R. D. Shah, Vice-Chairman.
 Shri M. C. Bhandari, President. (*Ex-officio*).
 Shri A. B. Tandan, Vice-President. (*Ex-officio*).
 Shri B. L. Kabra.
 Shri B. S. Mehta.
 Shri H. M. Talati.
 Shri V. Jagadisan, Co-opted member.
 Shri Y. H. Malegam, Co-opted member.

(vi) *Coaching Board:*

Shri Anil M. Parikh, Chairman.
 Shri K. Ganesan, Vice-Chairman.
 Shri M. C. Bhandari, President. (*Ex-officio*).
 Shri A. B. Tandan, Vice-President. (*Ex-officio*).
 Shri S. G. Argade.
 Shri H. M. Damania.
 Shri M. C. Mehta.
 Shri B. R. Malhotra, Co-opted member.

(vii) *Employment Committee:*

*Shri B. S. Kothari, Chairman.
 Shri B. L. Kabra, Vice-Chairman.
 Shri M. C. Bhandari, President. (*Ex-officio*).

*Subsequently replaced by Shri Pravin Chandra, V. Gandhi.

Subsequently replaced by Shri B. L. Kabra.

Shri A. B. Tandan, Vice-President. (*Ex-officio*).

Shri B. R. Maheshwari.

Shri M. C. Mehta.

Shri H. A. K. Rao.

(viii) *Expert Advisory Committee:*

Shri S. K. Gupta, Chairman.

Shri P. K. Mallik, Vice-Chairman.

Shri M. C. Bhandari, President. (*Ex-officio*).

Shri A. B. Tandan, Vice-President. (*Ex-officio*).

Shri P. Brahmaya.

Shri K. P. Bhargava, Co-opted member.

Shri S. P. Acharya, Co-opted member.

(ix) *Company Law Committee:*

Shri P. Brahmaya, Chairman.

Shri C. C. Ganapathy, Vice-Chairman.

Shri M. C. Bhandari, President. (*Ex-officio*).

Shri A. B. Tandan, Vice-President. (*Ex-officio*).

Shri K. Ganesan.

Shri V. B. Haribhakti.

Shri R. K. Khanna.

Shri S. C. Bhandari, Co-opted member.

Shri S. M. Dugar, Co-opted member.

(x) *University Liaison Committee:*

Shri G. Saha, Chairman.

Shri N. C. Krishnan, Vice-Chairman.

Shri M. C. Bhandari, President. (*Ex-officio*).

Shri A. B. Tandan, Vice-President. (*Ex-officio*).

Shri M. C. Mehta.

Shri Anil M. Parikh.

Shri P. B. Vijayaraghavan, Co-opted member.

Shri H. M. Majumdar, Co-opted member.

Shri P. D. Dalal, Co-opted member.

(xi) *Editorial Board:*

Shri M. C. Bhandari, Editor-in-Chief.

Shri K. Ganesan.

Shri S. K. Gupta.

Shri P. K. Mallik.

Shri G. Saha.

Shri B. S. Kothari.

Shri R. N. Sen.

(xii) *Ad-Hoc Committee:*

Shri M. C. Bhandari, Chairman.

Shri A. B. Tandan, Vice-Chairman.

Shri H. M. Damania.

Shri R. K. Khanna.

Shri G. Saha.

*Subsequently replaced by Shri B. L. Kabra.

C. COUNCIL & COMMITTEE MEETINGS

		No. of meetings held in	
		1970-71	1969-70
1. Council		4	2
2. Standing Committees :			
(i) Executive Committee		5	6
(ii) Examination Committee		4	4
(iii) Disciplinary Committee		4	4
3. Non-Standing Committees :			
(i) Research		3	2
(ii) Company Law		2	..
(iii) Post-graduate Course		5	4
(iv) Professional Development		3	2
(v) Taxation		2	2
(vi) Coaching Board		3	4
(vii) Expert Advisory		1	2
(viii) Employment		2	2
(ix) Editorial Board		10	8
(x) Hindi		1	3
(xi) University Liaison		1	.
4. Special Committees :			
(i) Under Section 4(1) (iii)		2	1
(ii) Under Section 4(1) (iv)		1	2
(iii) On Education and Training		2	8

APPENDIX II

(Reference : Section III-4 of the Report)

Number of Members appeared and declared successful at the Management Accountability Examination.

	May 1970	November 1970
Number of candidates appeared in Both Groups	17	14
Passed in Both Groups	Nil	1
Passed in Group I only	3	Nil
Passed in Group II only	2	1
Number of candidates appeared in :		
Group I only	7	14
Number passed	Nil	1
Group II only	9	10
Number passed	Nil	2

APPENDIX III

(Reference Section VII—I of the Report)

Number of members as on 31st March 1970 and 31st March 1971.

	Associates		Fellows		Total	
	31st March 1970	31st March 1971	31st March 1970	31st March 1971	31st March 1970	31st March 1971
Members holding certificate of Practice	3884	4356	2826	3062	6710	7419
Others	3233	3545	240	264	3473	3808
TOTAL	7117	7901	3066	3326	10183	11227

APPENDIX IV

(Reference: Section VII-3 of the Report)

Disciplinary Action Against Members

FINDING OF THE COUNCIL

Certifying the Circulation claim of a weekly which was practically not published

A member was found guilty of professional misconduct under clauses 7 and 8 of Part I of the Second Schedule to the Chartered Accountants Act for having certified the circulation of a weekly which on enquiry was found practically not published and for having given the certificate without carrying out any checking or verification of the books and records of weekly thus amounting to certifying as true, what was not true and what he did not believe to be true. The Council had recommended to the High Court removal of his name for a period of three months. As the member was dead when the case came up for hearing the High Court ordered that the case be dismissed.

Issue of improper certificate of circulation of a periodical

A member was found guilty of professional misconduct under clause 8 of Part I of the Second Schedule to the Chartered Accountants Act for having issued a certificate of circulation of a periodical without going into the most elementary details of how the circulation of a periodical was being maintained, i.e., by not looking into the financial records, bank statements or bank pass-books, by not examining evidence of actual payment of printer's bills and by not caring to ascertain how many copies were sold and paid for. The Council had recommended to the High Court that the respondent be reprimanded. The High Court accepted both the finding and the recommendation of the Council.

APPENDIX V

(Reference : Section IX-4(a) of the Report)

Number of Students enrolled during the year 1970-71.

	Intermediate			Final		
	Comp.	Opt.		Group I	Group II	Opf.
Number of Students who were on Roll on 1st April 1970	(5889) 6434	(Nil) Nil	(2536) 2527	(2381) 2356	(9) 12	
Enrolled during 1970-71	(2915) 3447	(Nil) Nil	(1540) 2140	(1540) 2140	(12) 7	
	9881	Nil	4667	4496	19	
Number of students who completed tuition which include 39 and 4 for the Intermediate and Final course respectively who discontinued tuition during the year	(2370) 2773		(1549) 1372	(1565) 1356	(9) 12	
	7108		3295	3140	7	

NOTE : Figures shown in the brackets are for the previous year.

APPENDIX VI

(Reference : Section X-1 of the Report)

*Particulars of Examination**Preliminary Examination*

	No. of candidates appeared	No. of candidates Passed
May 1969	199	46
November 1969	369	77
May 1970	241	50
November 1970	421	81

Intermediate Examination

May 1969	2794	541
November 1969	2961	1008
May 1970	3299	1494
November 1970	3084	652

Final Examination

	No. of candi- dates appeared in both Groups	No. of candi- dates passed in both Groups	No. of candi- dates passed in Group I only	No. of candi- dates passed in Group II only	No. of candi- dates appeared in Group I only	No. of candi- dates passed in Group I only	No. of candi- dates appeared in Group II only	No. of candi- dates passed in Group II only
May 1969	745	136	52	233	1267	276	803	254
Nov. 1969	784	145	176	143	1411	328	813	225
May 1970	834	157	141	135	1361	444	882	255
Nov. 1970	788	185	124	184	1994	382	1010	432

APPENDIX VII

(Reference : Section X-2 of the Report)

Prizes and Certificates of Merit.*Final Examination*

	May 1970	November 1970
1. G. P. Kapadia (First President) Gold Medal	N. K. Poddar	B. Banerjee
2. Sir Shapoorji Billimoria Prize (value Rs. 200) for the best paper on Accountancy	P.A. Bijoor	B. Nataraj
3. A. F. Ferguson Cash Prize of Rs. 200 for the best paper on Auditing	S. Thirumalai	G. P. Kedig

	May 1970	November 1970
4. N.M. Shah Prize (value Rs. 200) for the best paper on Taxation	N. K. Poddar	R. Sridharan
5. U. C. Majumdar Prize for the best paper in Company Law	Miss. S. Bhanu	B. Banerjee
6. R. Sivabhogam Prize to the best Lady candidate	Miss. S. Bhanu	Miss. D. J. Jariwala
7. G. Basu Foundation Award for the best student of the year 1970 . . . . .	..	B. Banerjee
8. N. N. Das Prize for the best student in the Accountancy Group of the year 1970 . . . . .	..	A.R. Bankeraika jointly with R. Sridharan
<i>9. Certificates of Merit</i>		
Ist Rank	N. K. Poddar	B. Banerjee
IIInd Rank	P. A. Bijoor	B. Nataraj
IIIrd Rank	G. S. Agrawal	D. K. Sen

Intermediate Examination

1. G. P. Kapadia (First President) Silver Medal	V. Venkataraman	S. G. Murali
<i>2. Certificates of Merit</i>		
Ist Rank	V. Venkataraman	S. G. Murali
IIInd Rank	T. Koteswara Rao	Arun Jain
IIIrd Rank	Vinay Sethi	P. G. Ghali

Examinations were held in the following centres during the year 1970, i.e. in May and November :

1. Ahmedzabad 2. Bangalore 3. Bombay 4. Calcutta 5. Colmbatore 6. Delhi.
7. Ernakulam 8. Gauhati 9. Hyderabad 10. Indore 11. Jaipur 12. Kanpur
13. Madras 14. Madurai 15. Nagpur 16. Poona 17. Trivandrum 18. Vijaywada

In addition to above the examinations were held in the following centres in November 1970 .

19. Baroda
20. Mangalore
21. Patna

APPENDIX VIII

(Reference Section XI—2 of the Report)

Names of Members who died during the year 1970-71.

S. No.	Name	Member-Ship No.
1.	Shri S. Suryanarayana Iyer	9
2.	Shri E. J. Dastur	48
3.	Shri U. M. Chaudhuri	49
4.	Shri V. V. Sohoni	128
5.	Shri Z. R. Irani	149
6.	Shri P. C. Malhotra	226
7.	Shri S. K. Chatterjes	283
8.	Shri V. Ramaratnam	284
9.	Shri K. Bhattacharyya	451
10.	Shri D. R. Rane	502
11.	Shri J. M. Shah	525
12.	Shri D. R. Bhatia	584

THE INSTITUTE OF CHARTERED

Balance Sheet As At 31st

Funds & Liabilities	31-3-1971	31-3-1970
	Rs.	Rs.
I. CAPITAL RESERVE:		
Balance : 31-3-1970	32,73,504	29,68,474
Add : Entrance Fees (Schedule 'A') :	3,51,711	3,05,030
	36,25,215	32,73,504
II. GENERAL RESERVE :		
Balance : 31-3-1970	7,21,748	8,00,105
Less : Deficit as per Income & Expenditure A/c.	(—)62,104	(—)78,357
	6,59,644	7,21,748
III. FUNDS :		
(a) <i>Research Fund</i>		
Balance : 31-3-1970	5,71,512	5,71,512
(b) Medal & Prizes Fund (Schedule 'B')	64,232	64,760
	6,35,744	6,36,272
IV. PROVISION FOR GRATUITY :		
Balance : 31-3-1970	2,64,406	1,81,946
Add : Provision for the year.	34,174	85,085
	2,98,580	2,67,031
Less : Payments during the year.	(—)21,000	(—)2,625
	2,77,580	2,64,406
V. LIABILITIES :		
(a) Fees received in advance	16,37,876	15,89,273
(b) Creditors	3,71,296	3,16,940
(c) Other Liabilities.	3,21,459	2,47,946
	23,30,631	21,54,159
TOTAL	75,28,814	70,50,089

NOTE : 1. The statement does not incorporate the accounts of the Bangalore & Jaipur Branches of Regional Councils, Eastern and Central India Students Associations and Poona, Ahmedabad & Jaipur Branch of Students Associations since their accounts have not been received and the previous years figures have been modified suitably for the purpose of comparison.

2. CONTINGENT LIABILITY

The estimated amount of contracts for the construction of Annexure to the Building remaining to be executed on capital account and not provided for is Rs. 2,76,415/-.

S. R. SIRCAR
Assistant Secretary.

C. BALAKRISHNAN
Secretary

A. B. TANDAN
Vice-President.

M. C. BHANDARI
President.

NEW DELHI.

Dated 11th September 1971.

ACCOUNTANTS OF INDIA, NEW DELHI

March, 1971.

Property & Assets	31-3-1971		31-3-1970	
	Rs	Rs.	Rs.	Rs.
I. FIXED ASSETS:				
(Schedule 'C')		41,73,045		29,35,907
II. INVESTMENT (at Cost)				
(Schedule 'D')				
Quoted :	1,78,013			
(Market Value Rs. 1,75,234)				
Unquoted :	10,27,906	12,05,919		22,96,911
III. EARMARKED INVESTMENTS :				
(a) Research Fund (Schedule 'E')				
Quoted :	701			
(Market Value Rs. 699)				
Unquoted :	5,70,811	5,71,512	3,23,307	
(b)(i) Medals & Prizes Fund				
(Schedule 'F')	60,024		60,025	
				3,83,332
Quoted :	44,024			
(Market Value Rs. 35,990)				
Unquoted :	16,000			
(ii) Cash in Bank	4,208			
		64,232	6,35,744	
IV. CURRENT ASSETS :				
(a) Publications, Study Material				
& Stationery (at cost)		2,62,090	1,74,379	
(b) Amounts receivable		4,12,606	3,37,719	
(c) Advances & prepayments.		64,554	3,03,315	
(d) Cash & Bank Balances		7,74,856	6,18,526	
		15,14,106		14,33,939
TOTAL		75,28,814		70,50,089

AUDITORS' REPORT

We have examined the above Balance Sheet and the annexed Income and Expenditure Account, which in our opinion, respectively give a true and fair view of the state of the Institute's affairs as at 31st March, 1971 and its income and expenditure for the year ended on that date.

P. R. MEHRA, M. R. VENKATARAMAN,
Chartered Accountants
Auditors.
14th Sept., 1971.

Annexure to Balance Sheet.

SCHEDULE 'A'

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA, NEW DELHI

Schedule of Entrance Fees As on 31st March, 1971.

	Rs.	Rs.
(a) FELLOWS:		
Received during the year 1970-71		57,600
(b) ASSOCIATES :		
(i) Instalment due as on 31st March, 1970.	2,27,460	
(ii) Recoverable during the year 1970-71	3,35,100	
	5,62,560	
(iii) Less : Instalments due as on 31st March, 1971.	2,68,449	2,94,111
TOTAL		<u>3,51,711</u>

S. R. SIRCAR
Asstt. Secretary.

C. BALAKRISHNAN
Secretary.

A. B. TANDAN
Vice-President.

M. C. BHANDARI
President.

P. R. MEHRA M. R. VENKATARAMAN
Chartered Accountants
Auditors

Annexure to Balance Sheet.
SCHEDULE 'B'

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA, NEW DELHI.

Schedule of Medals and Prizes Fund as on 31st March, 1971

S. No.	Names of Funds.	Endow- ment.	Income earned	Total (Cols 3 & 4)	Cost of Medals & Prizes awarded	Balance	
		Rs.	Rs.	Rs.	Rs.	Rs.	
1	2	3	4	5	6	7	
1	G. P. Kapadia (1st President) Medal Fund .	20,000	B/F 941 For the year 550	1,491	21,491	1,508	19,983
2	Miss. R. Sivabhogam Locket Fund. . .	5,000	B/F 1,735 For the year 325	[2,060	7,060	695	6,365
3	Sir Shapoorji Billimoria Prize Fund. .	[10,024	B/F 225 For the year 471	696	[10,720	441	10,279
4	Shri R. Rajagopalan Prize Fund. . .	[6,000	B/F 1,213 For the year 420	1,635	7,635	..	7,635
5	Shri N. Krishnaswamy Prize Fund. . .	[5,000	B/F 434 For the year 325	759	5,759	..	5,759
6	G. Basu & Co. Foundation in Accounting Research Fund.	14,000	B/F 186 For the year 420	606	14,606	395	14,211
TOTAL		60,024		7,247	67,271	3,039	64,232

S. R. SIRCAR
Asstt. Secretary.

C. BALAKRISHNAN
Secretary.

A. B. TANDAN
Vice-President.

M. C. BHANDARI
President.

P. R. MEHRA

M. R. VENKATARAMAN

Chartered Accountants
Auditors.

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA, NEW DELHI

Annexure to Balance Sheet
SCHEDULE 'C'

Schedule of Fixed Assets as on 31st March, 1971.

S. No.	Nature of Assets.	COST			DEPRECIATION		Total upto 31-3-71	Book Value as on 31-3-71
		Upto 31-3-70	Addi- tions.	Total upto 31-3-71	Total upto 31-3-70	For the year		
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	(a) Lease Hold Land (New Delhi)	2,159	..	2,159	..	..	..	2,159
	(b) Lease-Hold Land (Kanpur)	2,911	..	2,911	..	..	..	2,911
2	Building at New Delhi (Central Council)	4,56,495	..	4,56,495	1,67,533	7,224	1,74,757	2,81,738
3	Land & Buildings at:							
	(a) Bombay (Western India Regional Building)	4,51,178	..	4,51,178	77,675	9,337	87,012	3,64,166
	(b) Madras (Southern India Regional Building)	4,97,369	..	4,97,369	79,503	10,447	89,950	4,07,419
	(c) Calcutta (Eastern India Regional Building)	3,88,840	..	3,88,840	85,433	7,585	93,018	2,95,822
4	Building under construction at New Delhi.	9,75,657	12,87,928	22,63,585	..	..	..	22,63,585
5	Electric Installations & Fittings at:							
	(a) New Delhi (Central Council)	68,738	578	69,316	45,913	2,311	48,224	21,092
	(b) Regional Councils, Students Associations & their Branches.	32,482	219	32,701	9,592	2,795	12,387	20,314
6	Air-Conditioning Installations.	1,41,064	..	1,41,064	1,07,441	3,362	1,10,803	30,261
7	Furniture, Fixtures & Sale at:							
	(a) New Delhi (Central Council)	2,12,291	..	2,12,291	94,389	7,078	1,01,467	1,10,824
	(b) Regional Councils, Students Associations & their branches.	1,91,181	24,846	2,16,027	62,448	11,746	74,194	1,41,833
8	Office Equipments at:							
	(a) New Delhi (Central Council)	1,16,896	5,483	1,22,379	80,078	7,919	87,997	34,382
	(b) Regional Councils, Students Association & their Branches.	76,144	590	76,734	22,954	9,063	32,017	44,717
9	Library Books at:							
	(a) New Delhi (Central Council)	1,85,241	19,435	2,04,676	1,15,200	28,201	1,43,401	61,275
	(b) Regional Councils, Students Associations & other Branches.	2,02,143	32,369	2,34,512	1,21,468	26,297	1,47,765	86,747
10	Motor Car	16,721	..	16,721	11,972	949	12,921	3,800
TOTAL		40,17,510	13,71,448	53,88,958	10,81,599	1,34,314	12,15,913	41,73,045
S. R. SIRCAR Assistant Secretary.		C. BALAKRISHNAN Secretary.	A. B. TANDAN Vice-President.	M. C. BHANDARI President.	P. R. MEHRA	M.R. VENKATARAMAN Chartered Accountants Auditors.		

Annexure to Balance Sheet
SCHEDULE 'D'

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA, NEW DELHI

Schedule of Investments as on 31st March 1971.

Sl. No.	Particulars	Face Value Rs.	Cost Rs.
I. GENERAL FUND:			
1.	4% Ten Year Treasury Saving Deposit Certificates	50,000	50,000
2.	Fixed Deposit with the State Bank of India.	3,17,906	3,17,906
3.	Fixed Deposit with Bank of India.	2,000	2,000
4.	P. O. 12 Year National Defence Certificate	1,00,000	1,00,000
5.	3% Conversion Loan, 1946-86	3,100	2,506
TOTAL		4,73,006	4,72,412

II. COACHING BOARD:

1.	P. O. 12 Year National Plan Saving Certificates	40,000	40,000
2.	Fixed Deposit Receipt with State Bank of India.	4,18,800	4,18,800
3.	4% Bengal Loan, 1971.	25,000	25,038
4.	4½% Maharashtra State Development Loan, 1972.	50,0	50,000
5.	4% Loan, 1973.	50,000	50,207
6.	4½% Ten Year Defence Deposit Certificates.	40,000	40,000
7.	4½% Maharashtra State Development Loan, 1974.	25,000	25,000
8.	4½% U. P. Development Loan, 1974.	25,000	24,462
9.	P. O. 12 Year National Defence Certificate	60,000	60,000
TOTAL		7,33,800	7,33,507
GRAND TOTAL		12,06,806	12,05,919

S. R. SIRCAR
Asstt. Secretary.

C. BALAKRISHNAN
Secretary

A. B. TANDAN
Vice-President.

M. C. BHANDARI
President.

P. R. MEHRA M. R. VENKATARAMAN
Chartered Accountants
Auditors.

Annexure to Balance Sheet
SCHEDULE 'E'

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA, NEW DELHI

Schedule of Research Fund Investments as on 31st March 1971

Sl. No.	Particulars	Face Value Rs.	Cost Rs.
1	2	3	4
1.	Fixed Deposit with State Bank of India.	5,70,811	5,70,811
2.	4% Loan, 1972.	700	701
TOTAL		5,71,511	5,71,512

Annexure to Balance Sheet.

SCHEDULE 'F'

Schedule of Medals and Prizes Fund Investment as on 31st March, 1971.

Sl. No.	Name of the Funds	Particulars	Face Value Rs.	Cost. Rs.
1	G. P. Kapadia (1st President) Medal Fund.	2-3/4% Loan, 1976	20,000	20,000
2	Miss. R. Sivabhogam Locket Fund.	Fixed Deposit with State Bank of India.	5,000	5,000
3	Sir Shapoorji Billimoria Prize Fund.	3% Conversion Loan 1946-86.	15,700	10,024
4	Shri R. Rajagopalan Prize Fund.	Fixed Deposit with State Bank of India.	6,000	6,000
5	Shri N. Krishnaswamy Prize Fund.	Do.	5,000	5,000
6	G. Basu & Co. Foundation in Research Fund.	3% Conversion Loan 1946-86	14,000	14,000
TOTAL			65,700	60,024

S. R. SIRCAR
Asstt. Secretary.C. BALAKRISHNAN
Secretary.A. B. TANDAN
Vice-PresidentM. C. BHANDARI
President.P. R. MEHRA M. R. VENKATARAMAN
CHARTERED ACCOUNTANTS AUDITORS.

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA, NEW DELHI

Income and Expenditure Account for the Year ended 31st March, 1971.

	1970-71		1969-70	
	Income		Expenditure.	
	Rs.	Rs.	Rs.	Rs.
A. MEMBERS				
I. Membership and General Administration				
(a) Income from Members	7,53,198			
(b) Applications & Records	..	42,808		
(c) Discipline	..	74,400		
(d) Collection of Fees	..	41,612		
(e) List of Members	..	62,854		
(f) Annual Report, Council & Committee Meetings.	..	26,662		
(g) Employment Service.	..	81,922		6,51,876
(h) Miscellaneous	1,26,144	84,090		
		18,79,342	3,54,348	5,24,994
II. REGIONAL COUNCILS		1,16,181	3,89,937	5,51,876
III. Professional Development and Research.			(-)2,73,756	(-)2,35,841
(a) P. G. Course & Practical Training.	10,300	48,641		
(b) Conference & Seminar		29,076		
(c) Technical Activities		1,94,165		
(d) Library		21,716		
(e) Members' Hand Book and other Publication for Members.		34,089		
(f) Miscellaneous	39,497	25,356		
		49,797	2,53,043	(-)2,03,246
IV. JOURNAL		1,51,275	2,56,180	(-)1,04,905
				(-)69,556
TOTAL		11,96,595	12,53,508	(-)56,913
				(-)23,240

B. STUDENTS

V. *Students' Activities & Examinations*

(a) Students Activities..	1,74,370	2,45,701
(b) Examinations . . .	8,05,195	5,57,584
(c) Miscellaneous . . .	41,355	21,953

10,20,907

9,25,238 [95,662 54,730

VI. COACHING BOARD

10,97,803

11,98,656 (-)1,00,853 (-)1,09,847

TOTAL . .

[21,18,703

21,23,894 (-)5,191 (-)55,117

VII. DEFICIT . .

33,15,298

33,77,402 (-)62,104 (-)78,357

NOTE : For details refer to the "Schedule attached".

As per our Report o. even date.

NEW DELHI;

Dated, 11th Sep., 1971.

S. R. SIRCAR
Assistant Secretary.C. BALKRISHNAN
Secretary.A. B. TANDAN
Vice-President.M. C. BHANDARI
President.P. R. MEHRA M. R. VENKATARAMAN
Chartered Accountants
Auditors.

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA, NEW DELHI.

Annexure to Income & Expenditure Account

Detail of Income & Expenditure for the Year Ended 31st March, 1971.

SCHEDULE

S. No.	Heads of Accounts.	MEMBERS				STUDENTS		
		Total 1970-71	Member- ship & General Adminis- tration.	Regional Council	Profession- al De- velopment & Research	Journal	Students Activities & Exami- nations.	Coaching Board.
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
INCOME :								
1	Fees (See Note No. 1)	29,17,453 (26,00,708)	7,53,198 (6,86,808)	1,10,463 (1,02,280)	10,300 (11,300)	1,09,510 (1,00,210)	9,79,565 (8,87,125)	9,54,417 (8,12,985)
2	Income from Properties.	38,710 (38,710)	38,710 (38,710)					
3	Revenue from Journal & other Publications	1,47,070 (1,17,035)	5,680 (5,657)		7,332 (2,812)	41,765 (36,353)	26,792 (25,973)	65,501 (46,239)
4	Interest on Investments	1,21,509 (1,71,286)	45,252 (96,441)	.. (1,320)	32,015 (24,434)	..	..	44,242 (49,091)
5	Other Income	90,556 (69,695)	36,502 (6,065)	5,718 (7,212)	150 (8,187)		14,543 (8,812)	33,643 (39,419)
6	TOTAL	33,15,298 (29,97,434)	8,79,342 (8,33,681)	1,16,181 (1,10,812)	49,797 (46,734)	1,51,275 (1,36,563)	10,20,900 (9,21,910)	10,97,803 (9,47,734)
II. EXPENDITURE:								
7	Salaries & Other cost of Employing Staff	10,82,486 (9,93,389)	1,51,372 (1,27,288)	1,66,145 (1,43,693)	76,729 (1,34,081)	31,557 (24,790)	2,05,695 (1,82,814)	4,50,988 (3,80,723)
8	Provision for Gratuity.	34,175 (85,084)	5,319 (16,875)	3,637 (6,585)	2,252 (10,291)	768 (2,934)	7,255 (26,166)	14,944 (22,233)
9	Publications, Printing & Stationery & Study Material	7,42,735 (6,22,184)	57,652 (41,198)	24,300 (23,746)	45,762 (65,811)	1,66,166 (1,39,561)	1,54,583 (1,36,793)	2,94,272 (2,15,075)
10	Fees of Examiners, Tutors & Invigilators	4,53,948 (4,28,751)	..	..	1,412 (1,388)	..	2,25,138 (2,06,976)	2,27,398 (2,20,387)
11	Hire of Hall, Freight & other expenses in Examinations	1,62,606 (1,39,727)	..	..	..	..	1,62,606 (1,39,127)	..
12	Rates & Taxes	91,547 (80,542)	5,895 (5,136)	41,770 (41,128)	2,653 (2,311)	884 (770)	6,295 (5,386)	34,050 (25,811)

13	Repairs & Maintenance	31,777 (28,322)	3,195 (3,921)	13,249 (8,365)	1,437 (1,765)	479 (589)	3,194 (3,921)	10,223 (9,761)
14	Depreciation	1,34,618 (1,60,312)	22,000 (28,235)	64,465 (58,580)	8,556 (10,954)	386 (1,466)	13,523 (20,839)	25,688 (40,238)
15	Postage, Telegrams & Telephones.	1,67,065 (1,73,030)	25,229 (22,790)	22,886 (23,433)	11,181 (1,332)	25,433 (23,453)	51,984 (45,621)	30,345 (49,401)
16	Travelling Expenses of Councils & Comm. Members.	1,38,984 (1,21,677)	17,365 (16,915)	9,577 (10,621)	44,819 (29,763)	2,405 (1,788)	40,436 (45,175)	24,382 (17,415)
17	Other Travelling Expenses.	40,995 (55,218)	3,022 (4,060)	.. (33)	4,921 (15,922)	550 (432)	26,273 (24,885)	6,229 (9,886)
18	Professional Fees.	19,942 (21,491)	3,144 (5,483)	1,900 (1,200)	1,314 (2,697)	857 (728)	4,536 (3,724)	8,191 (7,659)
19	Conference, Seminar, etc.	21,248 (16,879)	.. (1,110)	..	21,248 (15,769)	..	..	..
20	Election	46,880 (537)	46,880 (537)	..	..	..	..	..
21	Miscellaneous.	2,08,396 (1,48,648)	13,275 (8,257)	42,008 (29,269)	80,700 (16,769)	26,695 (9,608)	28,720 (25,753)	71,946 (58,992)
22	TOTAL	33,77,402 (30,75,791)	3,54,348 (2,81,893)	3,89,937 (3,46,653)	2,53,043 (3,16,453)	2,56,180 (2,06,119)	9,25,238 (8,67,180)	11,98,656 (10,57,581)

NOTE : Figures of the previous year (1969-70) have been indicated within brackets.

S. R. SIRCAR
Assistant Secretary.

C. BALAKRISHNAN
Secretary.

A. B. TANDAN
Vice-President.

M. C. BHANDARI
President.

P. R. MEHRA

M. R. VENKATARAMAN
Chartered Accountants.
Auditors.

NOTE NO. I.

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA, NEW DELHI

Schedule of Fees : 1970-71.

	1970-71		1969-70	
	Rs.	Rs.	Rs.	Rs.
<i>Membership Administration</i>				
(a) Associate Membership	1,36,530		1,24,830	
(b) Fellow Membership	2,45,718		2,25,278	
(c) Associate Certificate of Practice	2,16,950		1,94,250	
(d) Fellow Certificate of Practice	1,54,000		1,42,450	
		7,53,198		6,86,808
2. Regional Council		1,10,463		1,02,280
3. Post-Graduate Examination		10,300		11,300
4. Journal :				
Membership fees allocated to Subscription for Journal.		1,09,510		1,00,210
5. <i>Students and Examination</i>				
(a) Examination Fees.	8,05,195		7,45,040	
(b) <i>Students:</i>				
(i) Articled Clerks Registration	1,26,880		1,01,000	
(ii) Audit Clerks Registration.	35,610		30,240	
(iii) Students Association Fee.	11,880		10,845	
		9,79,565		8,87,125
6. Coaching Board.		9,54,417		8,12,985
TOTAL.		29,17,453		26,00,708

S. R. SIRCAR
Assistant Secretary.C. BALAKRISHNAN
Secretary.A. B. TANDAN
Vice-President.M. C. BHANDARI
President.

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C. BALAKRISHNAN Secy.